Needs Assessment of Small and Medium Enterprises

Final Report

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Summary

Summary

1. Background

The ON-SITE/À LA SOURCE program is an innovative business-government partnership that has been uniquely successful in meeting the needs of industry and creating value-added employment opportunities for young professionals. Many workplaces have unrecognized needs for specialized human resources: by placing individuals "on-site" in these workplaces for six months, ON-SITE demonstrates the benefits of augmenting human resources. As a result, a third of participating employers end up hiring their ON-SITE employees into new positions, while another 40 percent of the employees find employment elsewhere in their field.

Recognizing that ON-SITE has significant untapped potential to assist small and medium enterprises (SMEs) in strategic areas, Industry Canada and the Canadian Manufacturers' Association (CMA)[1] co-funded an assessment of SME needs that could be serviced through the program. The objective of this assessment was to identify activities that cut across many sectors, where the provision of human resources can help SMEs improve their competitiveness and productivity, and which suit the skills of unemployed young professionals. The most promising of these activities were investigated in-depth.

2. Methodology

The assessment methodology consisted of two phases. Phase I included a scan of the opinions of experts and of a sample of SME executives. Phase II consisted of a national mail survey of senior executives with SMEs in five economic sectors.[2]

The major issues for all of the consultations, whether conducted in-person, by telephone or by mail, were the needs and priorities of SMEs with respect to achieving business growth, their capacities to achieve this growth, satisfaction with current capacities including human resources, the efficacy of human resource solutions to overcome current problems or barriers to growth, the labour market for highly qualified young professionals, both in general and with specific companies, and the potential for a work experience program for young professionals.

The study methodology was designed to conform to the highest industry standards for questionnaire design, sampling and data analysis. Wherever possible, standardized definitions were used for key concepts such as industrial sector and company size. Standardized methods and concepts were also used in the development of seven-point scales and other types of categorical survey questions. The incremental nature of the design, in which each subsequent phase was built upon the results of the preceding work, served to enhance data quality and the integrity of the final results.

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[1] Now the Alliance of Manufacturers & Exporters Canada.

[2] The sectors were manufacturing; transportation and communications; construction; finance, insurance and real estate; and services. The sample design was a stratified random sample, with stratification by both economic sector and company size: i.e., small companies with between 20 and 250 full-time employees and medium-sized companies with between 251 and 500 employees.

Phase I involved a preliminary scan of expert opinion as well as an in-depth industry scan. The preliminary scan involved telephone and in-person contacts with approximately 40 government and industry association representatives, human resource and labour market specialists and subject area specialists. The in-depth industry scan explored the same issues through a survey of 200 SME executives and senior managers; the survey was also sent to the boards of directors of provincial manufacturers' associations.

The Phase II national survey included five separate components or subject areas corresponding to the top industry priorities identified in Phase I. The five subject areas were incorporated into three survey questionnaires sent to a total of 4,600 companies in five sectors:

Part 1: Practical Computer Applications for Business:

A. Computer Needs for Management and Administration

B. Computer Needs for Marketing and Communications

Part 2: New Market Development and Exporting

A. Export Market Development

B. Domestic Market Development

Part 3: Customer Service

The final response rate was 16.5 per cent—one in six of the senior SME executives and principals in the sample. A comparison of the results of the survey with results from a telephone survey of non-respondents indicated that the response sample was representative of the SME population in terms of human resource practices as they relate to youth.

3. Findings from Phase I Scan of Expert Opinion

Most SMEs responding to the initial survey agreed that young professionals have not had the opportunities they need to gain practical work experience once they complete their education, and believed that young people need some type of help to enter the work force.

Respondents were asked to rate the importance of 12 different factors that could affect the growth and competitiveness of their businesses over the next three to five years.

- Improved customer service was rated the most important factor.
- Other factors given high ratings by employers were
  - better use of advanced technologies for production;
  - innovations: product or service development, product design, R&D;
  - international market development;
  - better use of computers for management and administration;
  - quality management (e.g., ISO 9000); and
  - better use of computers for marketing and communications.

Overall, for each of the areas assessed, about half of the employers indicated that there would be at least some job opportunities for young professionals over the next 24 months.

Based on analysis of SME needs and interests and requirements for efficient ON-SITE program operation, five streams related to computer use, new market development and customer service were selected for investigation in Phase II. These streams were found to merit further surveying not only because they are of demonstrated interest to SMEs, but because they offer opportunities for graduates with a general range of skills.

4. Findings from Phase II Surveys

4.1 Practical Computer Applications for Business

Computer Capabilities

Overall, respondents to the survey on computer applications rated the computer capabilities of their companies as moderate to high. Respondents rated their companies' capabilities as highest in the production of goods and services and in management and administration. Companies which had hired young people for professional or technical positions in the last 24 months gave higher ratings of their firms' computer capabilities.

A majority of the companies (60%) have access to the Internet, including 56% of smaller companies and 71% of medium-sized companies. The patterns of use for small and medium-sized companies are similar. Companies most commonly use the Internet for e-mail (89%) and for obtaining information on suppliers (49%). Advertising, promotion and marketing (39%) and obtaining business/strategic information (34%) are other important uses of the Internet. Fewer companies (21%) subscribe to commercial on-line business services.

Almost three-quarters of the companies (72%) are interested in using the Internet for their business. Interest is strong across all sectors and for both small and medium-sized companies. Companies with higher computer capabilities and greater satisfaction with their computer capabilities are more likely to be interested in using the Internet.

Computer Needs for Management and Administration

The survey asked respondents about the potential usefulness of 15 types of improvements to their firms' computer capabilities in management and administration. Overall, respondents were very positive about the extent to which these improvements would be useful. A large majority of respondents said that 14 of the 15 improvements would be at least moderately useful.

Respondents indicated that, overall, improvements to their capabilities for financial management and other management functions would be the most useful. The rated usefulness of improvements to computer capabilities is highly correlated with the availability of work opportunities for young people in respondents' firms. There is also a strong relationship between interest in using the Internet and the rated usefulness of improvements to computer capabilities for management and administration.

Computer Needs for Marketing and Communications

Most respondents (78%) indicated that, overall, improvements to their firms' computer capabilities for marketing and communications would be useful. Improving databases of existing customers was rated as the most useful improvement. Higher ratings of usefulness were very strongly related to interest in using the Internet for business development.

Barriers to Computer Use

Two-thirds of respondents reported that their companies have problems that present barriers to making improvements in their computer capabilities. On the positive side, companies facing greater barriers were more likely to indicate that they have computer-related work opportunities.

The most serious barriers were concerns about the value of frequent upgrades to hardware and software and the cost of upgrading hardware and software. The learning curves and costs of staff training and the lack of personnel with sufficient computer skills were also considered to be significant barriers.

4.2 New Market Development and Exporting

Most of the companies in the sample for this survey were on the up side of the growth curve, in terms of both expected export and domestic sales.

Export Market Development

A majority of the companies (61%) already earn export revenues, a proportion which is much higher than is found in the SME population as a whole. A majority of exporters (58%) are satisfied with the success of their company's past and current export activities. Over 90% of the exporters export to the U.S.; Southeast Asia and the Pacific Rim (36%) and Western Europe (30%) are the next most important markets overall.

Interest among companies is very high for export market development, for specific export markets and for information to take advantage of export markets. Manufacturers expressed the strongest interest in export market development and exporting. For all companies, export interest is related both to the availability of job opportunities for young people and interest in a work experience program targeted to young professionals.

The export markets of greatest interest to most companies are generally the ones at the top of the list of markets to which companies currently export: i.e., the U.S., Western Europe and Southeast Asia and the Pacific Rim.

Respondents were asked about their needs for different types of information to take advantage of export market opportunities. Based on a summary index of the different types of information, over half of the respondents (57%) indicated that their companies have a high need for export market information. The highest priority is for sales opportunities in specific markets (91% identified at least a moderate need, 59% identified a high need). A majority of respondents also identified a high need for all other types of information except for export finance options. Respondents who expressed a higher need for information about export market opportunities were also more likely to have job opportunities for young people in their companies and to have an interest in a work experience program for young professionals.

Respondents interested in export markets rated their companies' overall readiness to take advantage of export opportunities as very high. Respondents reported that their companies were best prepared for exporting in the following areas: general research and planning, determining changes needed to products or production processes, and implementation and monitoring. Areas in which respondents rated their companies as least export-ready were market research and detailed planning.

However, respondents' ratings of their companies' status with respect to the specific steps needed for export readiness were not as high as their ratings of their overall export readiness. There appears to be a gap between SMEs' interest and enthusiasm for exporting (perceived "overall readiness") and their actual readiness for the specific tasks that cumulatively constitute export readiness.

Companies rated the eight problems presented in the questionnaire as moderately serious barriers to successful exporting. The problem judged by most respondents to be the most serious barrier is a lack of personnel time to research and follow-up export opportunities. Smaller companies were more likely to indicate that they face a broad range of barriers to successful exporting.

Domestic Market Development

A majority of companies are interested in expanding their domestic business, particularly by increasing sales of existing products and services but also by selling new products or services. Smaller companies are more interested than medium-sized companies in increasing sales of both new and existing products and services in their home province. Companies with a strong interest in export markets are less interested in increasing their sales to parts of Canada outside their home province.

Companies expect to face very tough competition from other companies— both domestic and foreign—selling similar products and services in their target markets. Barriers to expanding domestic sales were rated as less problematic than those for export sales, and none of the five problems presented in the survey was rated as serious by most companies.

Just as with export marketing, a lack of personnel time to research and follow-up marketing opportunities was rated as the most significant barrier. However, human resource-related barriers to domestic market development were not judged to be as serious as equivalent barriers to export market development.

4.3 Customer Service

Respondents were asked to rate the importance of a total of eight factors which could contribute to the growth and competitiveness of their businesses. The factors were those which had been most highly rated by respondents to the Phase I survey. As in the Phase I survey, respondents rated improving customer service as the most important factor (average score of 6.0 on a 7-point scale). The high ratings of the importance of improved customer service were consistent among representatives of different sectors and small and medium-sized companies.

Respondents indicated that customer service has been a very high priority for their companies over the last two years. Three-quarters (75%) of respondents reported that their companies have introduced new policies or programs in the last two years specifically to improve customer service. Companies in manufacturing and in the financial, insurance and real estate sector are more likely to have initiated such policies or programs. Medium-sized companies are also more likely than smaller companies to have introduced new service policies or programs. Staff training, customer service analysis and evaluation, and management training are the types of activities which have been employed most frequently by companies in the last two years.

Virtually all respondents (94%) agreed that constant improvements to customer service are necessary to stay competitive; almost half (47%) very strongly agreed. Most companies believe they have been doing a good if not spectacular job in improving their service to customers in recent years. Almost all respondents (92%) were satisfied with the overall level of service delivered by their companies, although their degree of satisfaction was not particularly strong. Fewer than half were very satisfied with their overall customer service; almost half were only moderately satisfied. These levels of overall satisfaction with service delivery did not vary significantly by sector or size of firm.

Almost all respondents agreed that they can do a lot more to improve their services to customers. Managers view the attitudes of employees as the key to high quality and successful customer service. The most positive ratings for service delivery were given to employees working in management and administration and sales and customer service: 60% rated performance in these two areas as very good or excellent. Performance ratings were somewhat lower for employees in the production of goods and services and in marketing and communications. Considering the performance of all employees at providing high quality service, 48% rated this as very good or excellent, and 48% rated it as acceptable or good. These results were consistent across the different economic sectors and for both small and medium-sized firms.

There were four types of service-related improvements which respondents indicated would be very useful to their companies: improved quality management, closer consultations with customers about their needs, better information provided to customers about the company's products and services, and faster service. Two types of improvements—faster service and providing better information to customers—are more important to smaller firms than to medium-sized firms.

The costs of making service improvements and the lack of resources for new service-related equipment or systems were noted as the most significant barriers to improving customer service. A lack of personnel, including finding personnel with the right service skills, is also a moderately serious barrier to making customer service improvements.

4.4 Human Resource Needs and Work Opportunities for Qualified Young Professionals

Recipients of all the questionnaires were asked a series of questions relating to skill needs and work opportunities for young professionals.

General Attitudes and Short-Term Skill Needs

A majority of employers were positive about the value which young professionals could bring to their companies in the short term. Most indicated that young professionals would be useful to work on specific tasks even within the next six months. Their opinions about the value of hiring young professionals are particularly positive when viewed in the light of previous research which shows that most employers believe it takes at least six months for new hires to become fully functioning in new positions.

In general, respondents reported that their companies have moderate short-term needs for better skills in the targeted business activities. While the skill needs of the average SME employers are "moderate", the results also indicate that a large number of employers have greater needs for better skills in these critical skill areas. These results are consistent with the findings that a substantial number of SME employers are only moderately satisfied with their current levels of skills in the areas reviewed, indicating that there is significant room for improvement in many companies.

Most significantly, companies which indicated a greater need for improved skills in specific areas were also much more likely to report that there are job opportunities for young people in these areas.

Specific Skill Needs

Computer Skills

A majority of respondents believe that young people with computer skills could have a positive impact on their companies in the short term. Overall, about one in six employers indicated that their companies have high short-term needs for better computer skills; most of the rest (between 40% and 50%) indicated that their companies have moderate needs for better computer skills.

Companies in the manufacturing and construction sectors expressed the greatest need for computer skills for the production of goods and services. Medium-sized companies were more likely to express at least a moderate need for better computer skills for management and administration (75%) compared to smaller companies (61%).

Companies which indicated a high need for better computer skills in specific areas were much more likely to report that there are job opportunities for young people in these areas. For example, for management and administration skills, 65% of the companies with a high need for skills indicated there are at least some job opportunities for young people in this area.

New Market Development Skills

A majority of employers indicated that young people would be useful to their companies to work for six months on tasks related to new market development. On average, about 60% of employers believe that young professionals could be at least moderately useful in the short term; about 20% believe they could be very useful.

Respondents reported that young professionals would be most useful to work on researching particular markets. Employers were also positive about the value of hiring young professionals to work on general research and planning; changes to products, services or production processes for new markets; detailed planning such as promotional plans, logistics, pricing and payment systems, financing and insurance; and test-marketing and evaluation.

Customer Service Skills

Improving service to customers is a high priority for most SMEs, and some of their highest human resource priorities are for better skills in service-related activities. Providing faster and more efficient service to customers, providing better information to customers about their products and services, consulting with customers about how their products and services can better meet their needs, and improving quality management approaches and procedures are four areas in which employers reported high short-term needs for better skills. Two of the activities for which employers gave a low overall rating for their skill needs—improving quality management approaches and serving customers in foreign markets—were rated as much greater needs by employers in the manufacturing and service sectors.

Job Opportunities for Qualified Young Professionals in Targeted Business Activities

Employers are cautiously optimistic about the job opportunities for highly qualified young professionals in their companies. A majority (57%) indicated that there are at least some opportunities for young professionals. About one employer in seven (14%) reported that there are many job opportunities for young professionals to work in computer, new market development or customer service-related jobs. Employers in the service sector were especially positive about their job opportunities for young people: 70% said there are at least some opportunities, including 24% who said there are many opportunities.

Expected Payoff from Hiring Young Workers for Professional and Technical Positions

Employers are generally positive about the benefits their companies receive from hiring young workers in professional or technical positions. Over three-quarters of the respondents indicated that their companies receive at least a moderate payoff from hiring young workers in these positions; almost one-quarter said that their companies receive a high payoff from hiring these young people.

Employers rated the benefits from hiring young workers in professional or technical positions more positively than the job opportunities for young people in their firms. This reinforces the results which show that employers identify the lack of job opportunities as a serious barrier facing the entry of young professionals into the labour force—i.e., the skills of young people and the payoff from hiring them exceed the jobs available.

Barriers to Jobs for Young People

Respondents were asked about 10 specific problems which can present barriers to jobs for young people in their industry. Six of these possible barriers dealt with the skills and characteristics of the prospective young worker; four were potential problems from the perspective of the employer.

Five of the problems were rated as more serious barriers and five as more moderate problems. The single most important problem in the opinion of SME employers is the lack of practical work experience.

The barriers reflected in these 10 specific problems can be distilled empirically into four key factors. Employer rankings of the seriousness of these barriers to jobs are as follows.

1. ***A lack of practical experience and skills:*** 80% rated this as a problem, including 38% who rated it as a serious problem.
2. ***Costs*** (the costs of hiring, training, supervising, salaries and benefits for new workers): 70% rated this as a problem, including 28% who rated it as a serious problem.
3. ✓ ***The lack of job opportunities*** (both in general and in respondents' industries): 75% rated this as a problem, including 27% who rated it as a serious problem.
4. ***The skills and attributes of young workers*** (lack of general skills, enthusiasm and commitment to their work, unrealistic expectations about their value in the job market): 70% rated this as a problem, including 29% who rated it as a serious problem.

There were some important differences in the ratings of different barriers by employers with small and medium companies. In general, smaller companies find the different barriers to be more serious, with the exception of the lack of jobs, which is a more serious problem for medium-sized companies. Following are some details of these differences.

- Smaller companies were more likely to rate the skills and attributes of young workers (i.e., lack of general skills, enthusiasm and commitment to their work, unrealistic expectations about their value in the job market) as a barrier.
- Smaller companies were much more likely to be concerned about costs as a barrier.
- Medium companies were more likely to rate the lack of job opportunities and changing human resource practices as barriers.

Ratings of the different barriers do not vary by economic sector. The lack of jobs in the construction sector is one notable exception.

Interest in a work experience program for young professionals is positively related to three of the summary indices of job barriers for young people: i.e., a lack of practical experience and skills, the skills and attributes of young workers, and costs. In other words, employers with a greater interest in participating in a work experience program are generally the ones who perceive higher job barriers for youth.

4.5 Support for a Work Experience Program for Young Professionals

The questionnaire recipients were asked various questions regarding work experience programs for young professionals.

Interest in Participating in a Work Experience Program

SME interest in participating in a program to provide work experience for young professionals is quite strong among employers in all economic sectors, and among both medium-sized and smaller firms. Overall, 72% of respondents indicated that they are interested in such a program, including 22% who said they are very interested.

Most important is the finding that respondents in companies with job opportunities for qualified young professionals are the most interested in a work experience program. Among companies with many job opportunities, 89% of respondents are also very interested in a work experience program, including 52% who are very interested.

Opinions About the Characteristics of a Work Experience Program

All respondents were asked a common set of questions about their opinions on the desired characteristics of a work experience program for highly qualified young professionals. Nine possible program characteristics were reviewed, with respondents being asked to indicate whether they considered each to be a positive or negative feature of a program.

Five program characteristics stand out as the ones viewed most positively by SME employers. A majority of employers viewed each of these five characteristics positively:

- a program which provides practical work experience to young professionals;
- the employer pays no salary but pays for program administration;
- the program is led by the private sector and supported financially by the public sector;
- Employment Insurance dollars are used to fund work placements; and
- there is an emphasis on high-skill jobs.

For SME employers, provision of practical work experience to young professionals is by far the single most important characteristic of a work experience program: 90% viewed this feature positively, including 50% who viewed it very positively. The proportion of employers who rated the other four of these "favoured" characteristics as positive varies from 72% (for the employer paying no salary but paying for program administration) to 53% (for an emphasis on high-skill jobs).

Program characteristics viewed less favourably are as follows. Fewer than half of employers viewed these four characteristics positively:

- a partial salary subsidy, linked to an obligation to hire the workers at the end of the work term;
- the program is restricted to young people;
- the program is led and financed entirely by the private sector; and,
- a focus on non-production activity: i.e., work that might not otherwise get done.

5. Implications for Work Experience Programs

The needs assessment provided a number of insights into the business priorities of SMEs and senior managers' perceptions of the contributions that could be made by young professionals. Among other findings, the research confirmed that

- SMEs are particularly interested in improving their capabilities in three broad areas: computer applications, new market development and customer service;
- SME executives believe that the most serious problem facing young people seeking work is the lack of practical work experience, and they believe that, given the opportunity, young professionals can make a positive contribution to their companies; and
- a majority of SMEs are interested in participating in a work experience program for young professionals, and this interest is correlated with the availability of work opportunities for young professionals.

These findings have interesting implications for work experience programs for young professionals. As a co-sponsor of the needs assessment, the Alliance is interested in applying the results of this research to its own work experience program, ON-SITE.

Although ON-SITE is not aimed specifically at SMEs, it has many of the characteristics which SME executives find attractive in a work experience program. The results of the needs assessment indicate a number of ways in which the program could be expanded and improved to further meet the needs of Canada's SMEs. The following activity streams appear to offer the best potential for such expansion:

- computer applications for management and administration:
  - financial management
  - general business management and administration
  - strategic business planning support
- export market development
- customer service.

These are all areas where Industry Canada is interested in improving the sophistication and capabilities of SMEs. Although there is considerable SME interest in the other two areas investigated—computer applications for marketing and communications, and domestic market development—it would be more difficult to ensure that ON-SITE positions in these areas did not provide employers with an unfair competitive advantage vis-à-vis other Canadian employers. (Both these streams would involve improving market share, and a majority of the survey respondents indicated that they expected to face at least some domestic competition in attempting to expand their market share within Canada.)

Creating incremental, non-competitive positions would be considerably easier in the fields of computer applications for management and administration, export market development and customer service. Based on the survey results, positions in these areas could encompass the following.

5.1 Computer Applications for Management and Administration

Survey respondents indicated strong interest in improving their computer capabilities in a number of areas related to financial management, general business management and administration, and strategic business planning. Positions in these areas would not require formal computer science training so much as practical computer skills and aptitudes and up-to-date knowledge of available hardware and software options.

These new task areas offer opportunities for a range of graduates beyond the "traditional" ON-SITE candidate pool of engineering and science graduates. Individuals with degrees in business, commerce and arts (economics) as well as science or engineering graduates could be eligible for positions in this area, as long as they have good computer skills. Implementing a new stream of Computer Applications for Business would enable a much greater range of unemployed young professionals to benefit from the experience and professional development provided through ON-SITE.

5.2 Export Market Development

An export market development stream has already been pilot-tested in ON-SITE, and the results of the needs assessment confirm the potential to substantially expand this stream. This stream offers opportunities to a wider base of candidates than do the traditional ON-SITE streams: it is suited for graduates in business, commerce, arts (political science, economics, international studies), science and engineering, as well as individuals with specific language and/or cultural skills.

5.3 Customer Service

In the area of customer service, the survey respondents indicated that the following types of improvements would be very useful:

- improved quality management;
- customer communications: outreach and feedback (i.e., closer consultation with customers about their needs; provision of better information to customers about the company's products and services); and
- faster and more efficient service.

Quality management is already a well-established ON-SITE program stream, and customer service aspects of quality management could be incorporated into this stream. A new customer service stream could offer positions related to consultation with customers about their needs (though surveys, one-on-one consultations, analysis and development of customer feedback mechanisms); provision of better information to customers (promotional materials, technical materials, Internet Web sites); and faster and more efficient service (analysis of service patterns and recommendation of improvements, assessment of software and hardware options for improving service speed and efficiency). These positions would be suited to candidates with degrees in commerce/marketing/business, arts, social sciences, science or engineering, as long as they have good communication and interpersonal skills.

Introduction and Methodology

1.0 Introduction

Many workplaces have unrecognized needs for specialized human resources. By placing an individual "on-site" in an organization for six months, the ON-SITE/À LA SOURCE program demonstrates the benefits of augmenting human resources in order to stimulate innovation and improvement. As a result, many employers retain their project workers after their ON-SITE terms end.

In the past, ON-SITE focused on areas where the strategic application of human resources could reduce the waste of materials and energy, and/or improve safety and quality. These streams of activity met requirements that the employment created be incremental (i.e., not replace or compete with an existing position), and that the provision of a program employee not provide an unfair competitive advantage to the employer. However, experience suggested that there are additional opportunities to create incremental positions and help small and medium enterprises (SMEs) improve their competitiveness. Activities that cut across many industry sectors potentially offer such opportunities.

Recognizing that ON-SITE offers significant untapped potential to assist SMEs in strategic areas, Industry Canada and the Alliance of Manufacturers & Exporters Canada (formerly the Canadian Manufacturers' Association) agreed to co-fund an assessment of SME needs that could be serviced through the program. The objective of this assessment was to identify activities that cut across many sectors, for which the provision of human resources could help SMEs improve their competitiveness and productivity, and with which unemployed young professionals would be qualified to assist. This report summarizes the results of the needs assessment.

2.0 Methodology

The needs assessment methodology consisted of two phases: 1) an exploratory review or scan of the opinions of experts and a sample of SME executives; and, 2) a national mail survey of senior executives with SMEs in five economic sectors.

The major issues for all of the consultations, whether conducted in-person, by telephone or by mail, were the needs and priorities of SMEs with respect to achieving business growth; their capacities to achieve this growth; satisfaction with current capacities including human resources; the efficacy of human resource solutions to overcome current problems or barriers to growth; the labour market for highly qualified young professionals, both in general and with specific companies; and the potential for a work experience program for young professionals.

The study methodology was designed to conform to the highest industry standards for questionnaire design, sampling and data analysis. Wherever possible, standardized definitions were used for key concepts such as industrial sector and company size (SME). Standardized methods and concepts were also used in the development of seven-point scales and other types of categorical survey questions. In some instances, pre-existing questions which had already been tested in other surveys were used to increase our confidence in data reliability and validity.

The methodology design was examined by external reviewers from Industry Canada and the Alliance at each stage of the process. As well, the incremental nature of the design, in which each subsequent phase was built upon the results of the preceding work, served to enhance data quality and the integrity of the final results.

2.1 Phase I: Exploratory Scan of Expert Opinion and Industry Needs

Phase I involved a preliminary scan of expert opinion, and an in-depth industry scan. The preliminary scan involved telephone and in-person contacts with approximately 40 government and industry association representatives, human resource and labour market specialists and subject area specialists. The major issues addressed during these interviews were as follows:

- business activities which present the greatest opportunities for SMEs;
- readiness of SMEs to take advantage of these opportunities; the barriers;
- variations in the needs and capabilities of SMEs by sector and firm size;
- the availability of qualified personnel to take advantage of business opportunities;
- the potential contributions of young professionals; their best opportunities;
- realistic objectives for employment programs for young professionals;
- the types of employers most likely to be interested in employment programs for young professionals; and,
- the best methods for communicating with employers about youth-oriented employment programs.

The information provided by the experts during these consultations was used to design the questionnaire for the in-depth industry scan. This scan was intended to be an exploration of the same issues with a sample of senior executives and managers who run SMEs on a day-to-day basis. Particular attention was given in the survey to the identification of human resource needs (e.g., skills); company priorities for activities to achieve growth; the job opportunities for highly qualified young people; and the potential for highly qualified young professionals to meet their human resource needs in areas targeted for growth.

The scan questionnaire was designed to collect both quantitative and qualitative information. The quantitative sections asked questions dealing with the labour market for young professionals, barriers to hiring young people, factors related to SME growth and competitiveness, job opportunities for young professionals, and characteristics of the employers. The qualitative sections were designed to collect information about employer-defined activities which would contribute to the growth and increased competitiveness of the respondents' firms.

The methodology for the in-depth industry scan employed a self-administered, mail-back questionnaire distributed to employers in five industry sectors: manufacturing; transportation and communications; construction; finance, insurance and real estate; and, services. The survey included a national sample of 200 companies. The sample database was purchased from Dun and Bradstreet, a leading industry supplier of business databases.

The survey sample employed a stratified random sample. Stratification was by economic sector, with approximately half the sample being manufacturers and the remaining cases being equally divided among the other four sectors. Companies were selected at random within each of the five sectors. The survey was also distributed to members of the Boards of Directors of provincial manufacturers' associations.

The survey was conducted in March, 1996. The survey included a single wave questionnaire mailout with a reminder letter sent 10 days later. Some telephone reminder calls were also made to some companies.

A total of 62 completed questionnaires were received, including 33 firms in the manufacturing sector and 29 firms in other sectors. Three-quarters of the respondents (76%) were senior executives including owners, presidents, CEOs, and general managers; 24% were in other management positions.

2.2 Phase II: National Survey of Senior Executives with Small and Medium Enterprises

2.2.1 Survey Design

The design of the full national survey of SMEs was based on the results of the consultations and preliminary survey conducted in Phase I. The full Phase II national survey included five separate components or subject areas. These five areas correspond to the top industry priorities identified in Phase I. The five subject areas were incorporated into three survey questionnaires, which are presented in Appendices A, B and C (annotated with the survey statistics).

Part 1: Practical Computer Applications for Business

A. Computer Needs for Management and Administration
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The broad themes and issues reviewed in the three surveys were consistent, although most of the questions in the three surveys were different to reflect the specific subject areas. Following are the main issues addressed in the surveys:

- company needs and capabilities in the specified areas;
- satisfaction with current company performance in the areas;
- usefulness of making performance improvements in specific areas;
- problems and barriers to making improvements;
- importance of human resource solutions and skill improvements;
- job opportunities and barriers for qualified young professionals;
- usefulness of young professionals for specific business tasks;
- interest in a work experience program for young professionals; and,
- preferred characteristics of a work experience program for young professionals.

The survey sample design was based on the same principles as the preliminary industry scan. The source list of SMEs was purchased from Dun and Bradstreet. The same five sectors were selected for the survey, again based on the potential relevance of a work experience program for young professionals to these sectors. The sectors were manufacturing; transportation and communications; construction; finance, insurance and real estate; and, services.

The sample design was a stratified random sample, with stratification by both economic sector and company size: i.e., small companies with between 20 and 250 full-time employees and medium-sized companies with between 251 and 500 employees. Companies with fewer than 20 employees were not included in the survey because of the lower potential for their involvement in a work experience program.

All questionnaires were addressed to the President or other senior company executive identified as the company contact on the Dun and Bradstreet listings. The initial mailout sample size was 4,600 companies:

- 1,800 for the Part 1: Computer Applications survey;
- 1,800 for the Part 2: New Market Development survey; and,
- 1,000 for the Part 3: Customer Service survey.

The Parts 1 and 2 samples included a larger number of cases than the Part 3 survey because each of these components covered two related subject areas while the customer service survey dealt with one. The distributions of the sampled companies are shown in Table 2.1 following.

Table 2.1: Sample Distributions

Sector: %	Size (number of employees): %	Region: %
Manufacturing: 50%	Small (20-250): 78%	Atlantic: 15%
Construction: 10%	Medium (251-500): 22%	Québec: 25%
Transportation and Communications: 15%		Ontario: 35%
Finance, Insurance and Real Estate: 10%		Prairies: 15%
Services: 15%		BC: 10%

2.2.2 Survey Administration

The mail survey was conducted between June 27 and August 31, 1996. The procedures included an initial mailing of the questionnaire and a pre-addressed envelope (for return to Energy Pathways Inc. in Ottawa), and a follow-up postcard-style reminder notice sent to all companies in the sample 10 days after the initial mailing. A telephone "hotline" service was offered to all respondents to answer questions and provide information about the survey. The procedures did not include other follow-up procedures or reminders.

A telephone survey of non-respondents was conducted in September after completion of the mail survey. The non-response survey served two purposes. First, it allowed us to identify the proportion of eligible and ineligible cases (companies and respondents) in the sample so that more accurate response rates could be calculated. Cases were defined as ineligible for the following reasons: the company is no longer in business, our mailing address was incorrect (e.g., the company had moved), the addressee (respondent) is no longer with the company, and the respondent was not available during the survey period (e.g., on vacation, away on business). Secondly, non-respondents were asked a short set of four questions from the mail survey so that we could compare the results for the mail survey and telephone non-respondent samples. These comparisons facilitate the analysis of the extent to which the mail survey results represent the population of SMEs across the entire country.

2.2.3 Data Base Management and Analysis

The completed returns were processed by Energy Pathways Inc. The survey data were entered by a professional data entry firm employing standard procedures for quality control and error reduction. The database used for the analysis was created with SPSS Version 7.0 for Windows.

The survey data were subjected to a round of data quality checks including review of the univariate distributions, reliability tests of both individual variables (e.g., split halves, measures of variation/dispersion) and multiple-indicator scales (e.g., Cronbach's alpha for additive scales), and construct validity tests to verify that relationships among key variables conformed to expectations.

The univariate distributions and descriptive statistics for all survey variables are presented with the three survey questionnaires in Appendices A to C. A complete set of statistical tests was conducted to assess the relationships between all questions asking about the needs, opinions, practices and experiences of SMEs (i.e., most survey questions) and the following key variables: economic sector, size of the company (i.e., fewer/more than 250 employees), youth hiring practices over the last 12 months, and years in business. Multivariate statistical tests were conducted in specific areas where preliminary analyses indicated that further exploration was warranted. Where these relationships are both substantively and statistically significant, the results are presented in the following sections of survey findings.

2.2.4 Sample Size and Response Rates

A total of 515 responses were received by return mail from companies in the original mailout sample:

- 165 for Part 1: Practical Computer Applications for Business
- 235 for Part 2: New Market Development and Exporting
- 115 for Part 3: Customer Service

The final response rate to the survey is 16.5 per cent—one in six of the senior SME executives and principals in the sample. The calculation of response rates takes into account both the survey returns and the results of the non-response survey. The non-response survey included successful contacts with 350 companies in the original sample. Of these 350 contacts, 36% were with companies considered to be ineligible for the survey. There were two primary reasons why respondents were considered ineligible: the mailing address was incorrect, and the respondent was not available during the survey period (because of business travel or vacation).

The response rate calculations are presented in Table 2.2 below.

Table 2.2: SME Survey Response Rates

- Total number of questionnaires mailed to the initial samples: 4,600
- Completed questionnaires: 515
- Residual non-response: 4,085
  (4,600 - 515 = 4,085)
- Estimate of ineligible cases derived from non-response survey: 1,471
  (4,085 x .36 = 1,471)
- Estimate of total number of eligible SMEs: 3,129
  (4,600 - 1,471 = 3,129)
- Overall response rate: 16.5%
  (515 / 3,129)

2.2.5 *Sample Representativeness*

Sample representativeness or, conversely, sample bias—the degree to which a survey sample represents the overall study population—is always a crucial question for survey data analysis. One of the principal means used to assess the representativeness of the sample was by comparing the results from the mail survey with the results from the telephone survey of non-respondents: i.e., the more similar the results, the greater the confidence we can have in the representativeness of the survey data. Comparisons for the overall sample are possible for two important questions: the number of new youth hires in the last 24 months, and the job opportunities in the company for qualified young professionals. Overall, the results for these questions are very similar. The findings are presented in Table 2.3 below.

Table 2.3: Comparison of Survey and Non-Respondent Samples

Question	Survey Sample (n = 515)	Non-Respondents (n = 55)
1. Companies with New Youth Hires in the Last 24 Months		
Yes	54%	51%
No (Includes respondents who left this question blank, which are probably cases with no youth hires.)	46%	49%
2. Job Opportunities for Highly Qualified Young Professionals		
No/few job opportunities	43%	38%
Some job opportunities	43%	56%
Many job opportunities	14%	06%

2.2.6 Sample Characteristics

An overview of the main characteristics of the survey sample is provided below. These results summarize the combined results for the three survey components (i.e., 515 cases).

Economic Sector

- Manufacturing: 56.1%
- Transportation and Communications: 14.0%
- Construction: 9.9%
- Finance, Insurance and Real Estate: 10.5%
- Services: 9.5%

Company Size

- Small (20-250 employees): 78.1%
- Medium (251-500 employees): 21.9%

Position of Respondent in the Company

- Owner, President or CEO: 42.7%
- Senior Manager, Executive Officer, General Manager: 31.4%
- Manager, Human Resources/Personnel: 10.0%
- Manager: Other areas or responsibility: 9.6%
- Other: 6.3%

Phase I Findings:

Scan of Expert Opinion on SME Needs and Work Opportunities for Young Professionals

3.0 Findings from Scan of Expert Opinion on SME Needs and Work Opportunities for Young Professionals

3.1 Preliminary Scan

The experts interviewed responded positively to the idea of an expansion of ON-SITE into a number of subject areas, if appropriate matches can be made between industry needs and the skills of unemployed young professionals. It was noted that young ON-SITE workers should not be responsible for work that is "mission critical". The most successful approach is one that places individuals in situations where they are exploring new fields of activity or looking at new ways to make improvements to existing activities.

3.2 In-depth Industry Scan

3.2.1 Opinions About The Labour Market for Qualified Young Professionals

Almost all questionnaire respondents agreed that "highly qualified young people have had a very tough time entering the job market over the last few years." Furthermore, few SME employers thought that either their industry or the Canadian economy as a whole has done a good job providing job opportunities for highly qualified young people. However, employers were much more positive about their own firms' successes in bringing highly skilled young people into their organizations.

Most employers thought that young professionals have not had the opportunities they need to gain practical work experience once they complete their education, and most believed that young people need some type of help to enter the work force.

The SME employers were asked about the barriers which young people encounter when trying to get jobs in their respective industries. These questions dealt with two major types of barriers to labour force participation: 1) the skills and characteristics of the prospective young worker; and 2) hiring problems faced by employers, including costs and changing human resource practices.

Skills and characteristics of young people: According to the SME employers, the most serious problem facing young people seeking work is the lack of practical work experience. This is considered a more serious problem than any skill or attitudinal deficiencies of prospective young workers or any barriers to hiring faced by employers. The majority of employers did not consider young people's level of enthusiasm and commitment to be a problem, but most thought that young people have unrealistic expectations about their value in the job market. Skill deficiencies, whether general skills in language, mathematics and communications or more technical or specialized skills, were considered by most employers to be only moderate barriers to labour force participation for young people.

Hiring problems faced by employers: Respondents felt that the biggest problem they face in trying to bring qualified young people into their organizations is changing human resource practices, including downsizing, outsourcing and greater use of contract workers.

3.2.2 SME Perspectives on Needs

Employers were asked to rate the importance of 12 different factors that could affect the growth and competitiveness of their businesses over the next three to five years. The list of these factors was prepared on the basis of factors identified during the interviews with experts in the preliminary scan.

Employer ratings of the importance of the 12 factors fell into three categories. The sample size of the survey did not permit us to make statistical inferences about the overall relative ranking of factors within these three broad groupings.

- ***Improved customer service*** was rated the most important factor. Almost 80% of employers rated improved customer service as either a very important or extremely important factor (6 or 7 on the 7-point scale). The overall average score on the 7-point scale was 6.2.

- ***Six other factors were also given high ratings by employers.*** Each of these factors had an average rating of at least 5 on the 7-point scales:
  - better use of advanced technologies for production;
  - innovations: product or service development, product design, R&D;
  - international market development;
  - better use of computers for management and administration;
  - quality management (e.g., ISO 9000); and
  - better use of computers for marketing and communications.

- ***Five other factors were rated by employers as less important*** for the growth and competitiveness of their businesses over the next three to five years (average rating of between 4 and 5 on the 7-point scales):
  - domestic market development;
  - improved occupational health and safety practices;
  - analysis/benchmarking for improved productivity;
  - improved environmental management and practices; and
  - improved energy management.

3.2.3 Meeting Specific Needs to Achieve Growth

Use of computers to improve administration and management, use of computers to improve marketing and communications, use of advanced technologies for production, and international market development were all areas that had been identified in earlier research as offering good potential for recent graduates. Companies were asked to provide qualitative information on activities that they considered important in these streams.

Use of Computer Technologies

The greatest number of responses related to improving current production methods. Manufacturers in particular were interested in this, citing interest in computer-assisted design (CAD) and CAD output to control manufacturing (CAD/CAM), production planning, materials requirement planning and various specific high-technology systems.

The next major area of interest was training and education in computer use and software. There was also strong interest in the use of computers to improve business management and administration, and in use of the Internet. Use of computers for marketing and communication was the other major area of interest.

New Market Development

With respect to new market development, the activity of greatest interest was that of market analysis/market studies. The other major area of interest was in marketing/sales/ communications/ follow-up on market leads.

Companies also indicated a need for more information on trade and export documentation procedures. Other areas in which there was some interest included determination of modifications needed in products and procedures for export markets, and competitive analysis/niche identification.

3.2.4 Opportunities for Young Professionals to Meet SME Needs

After rating the importance of different factors contributing to growth and competitiveness, and identifying specific needs to achieve growth, employers were asked to rate their firms' job opportunities for highly skilled young people in these areas over the next 24 months.

Overall, for each of the 12 areas assessed, about half of the employers indicated that there would be at least some job opportunities for young professionals over the next 24 months. The areas rated as having the greatest number of opportunities for young professionals are as follows (average scale ratings of 3.6 or higher):

- advanced technologies for production;
- customer service; and,
- innovations: product or service development, product design, R&D.

Five other activities were rated as having a moderately high number of opportunities (average scale ratings between 3.0 and 3.3):

- computers for management and administration;
- quality management: e.g., ISO 9000;
- computers for marketing and communications;
- international market development; and
- domestic market development.

For the other four activities, employers indicated there would be fewer opportunities (average scale ratings of less than 3.0):

- benchmarking/productivity analysis;
- occupational health and safety;
- improved energy management; and
- environmental management.

3.2.5 Findings on Other Themes and Issues

Workplace Situations for Young Workers

Most employers indicated that they usually have their younger staff working under the close supervision of an experienced staff member. Manufacturers were more likely to let their younger staff take on a new task or work independently on a task. Employers reported that in the first six months on the job for a new employee, an average of about one-quarter of the time of a more senior staff member is required for supervision.

Finding Suitable Candidates for Professional-level Positions

Fewer than half of employers reported that it is "easy" to find suitable candidates when they are recruiting and hiring young people for professional-level positions. Companies with more than 100 employees were much more likely to be positive about their experiences with hiring young people.

3.2.6 Identification of Phase II Issues

The following streams were selected for investigation in Phase II:

- computers for management and administration;
- computers for marketing and communications;
- new market development: international;
- new market development: domestic; and
- customer service.

These streams were determined to merit further surveying not only because they are of demonstrated interest to SMEs, but because they offer opportunities for graduates with a general range of skills. General research and computer skills can be found among a broad group of arts, social science and business graduates. The bulk of "traditional" ON-SITE candidates have been science, engineering and environmental studies graduates; these new streams offer the potential to bring the benefits of ON-SITE to a more diverse group of graduates with broader skill sets. The range of business sectors interested in these areas is sufficiently broad that the streams would offer good potential for the job definition and matching services provided by ON-SITE.

For three of these streams in particular (computers for management and administration, international market development and domestic market development), there was a high correlation between respondents' interest and their perceptions of opportunities for young professionals. This suggested that companies with a strong interest in the area should be receptive to the idea of hiring young professionals through ON-SITE to assist them in the area.

A majority of manufacturers indicated some job opportunities for young professionals in export market development. Although there was less interest in domestic market development, 53% of manufacturers indicated some job opportunities for young professionals in this area. There was a very strong correlation between interest in international market development and interest in domestic market development.

The particularly high importance rating given to customer service emphasized the importance of surveying on this stream to better define its parameters. The correlation between interest in the subject and opportunities for young professionals was lower than for some of the other streams, but the interest spanned a broad range of sectors and company sizes. Although companies indicated a strong interest in customer service, they provided relatively little qualitative information on exactly what types of skills they needed.

Correlation between company interest in computers for marketing and communications and perceptions of opportunities for young professionals was lower than for computers for management and administration. However, companies with more than 100 employees were much more likely to identify marketing, and the stream was also strong among manufacturers. This interest, combined with the broad range of skills sets that could be employed in this stream, indicated that this stream was worth investigating further.

The use of advanced technologies for production, and innovations (R&D, product and process engineering, product and service development) demonstrated considerable promise: both streams show a high correlation between employer interest and perceptions of opportunities for young professionals, particularly for larger companies. However, these streams were not selected for Phase II surveying because they encompass very specific activities and appear to require a more specific set of skills (i.e., more advanced science and engineering skills). As such, ON-SITE streams in these areas would be attractive to more restricted groups of both candidates and employers, making the marketing and matching process more difficult. However, these streams may merit further investigation in the future.

In summary, five activity areas (one more than originally proposed) were selected for detailed surveying in Phase II.

- ***Computers for management and administration,*** and ***computers for marketing and communications.*** As there is a good likelihood that many companies interested in computers for management and administration will also be interested in computers for marketing and communications, these two streams were combined in one survey sent to 1,800 employers.
- ***Export market development*** and ***domestic market development*** were also combined in one survey sent to 1,800 cases. Phase I data showed a strong correlation between interest in these areas, and it was determined that surveying a larger sample on both issues would provide a greater number of valid responses in each area.
- ***Customer service*** was selected for investigation through a survey of 1,000 SMEs.

The findings from the surveys conducted on these topics are summarized in the following chapters.

Phase II Findings:

Practical Computer Applications for Business

New Market Development and Exporting

Customer Service

Human Resource Needs and Work Opportunities for Qualified Young Professionals

Support for a Work Experience Program for Qualified Young Professionals

Implications for Work Experience Programs

4.0 Practical Computer Applications for Business

4.1 Overview of Firms in the Computer Applications Survey Sample

The sample for the computer needs survey was composed of 165 SMEs. Approximately half of the companies in the sample were manufacturers (48%). The other half of the companies were in four other sectors: construction (8%), transportation and communications (13%), services (11%), and finance, real estate and insurance (20%).

About three-quarters (77%) of the companies had between 20 and 250 employees. The remaining 23% had between 251 and 500 employees. About one-third (36%) of the medium-sized companies were manufacturers. Approximately 20% of the medium-sized companies were in the transportation and communications, services, and finance, real estate and insurance sectors.

The respondent profile confirmed the seniority of the respondents in their respective companies: 70% were owners and senior executives: i.e., 39% were Owners, Presidents, or CEOs and 31% were GMs or Chief Executive Officers.

About two-thirds (63%) of the companies had hired new staff in the last 24 months; 43% had hired young people under 30 years old.

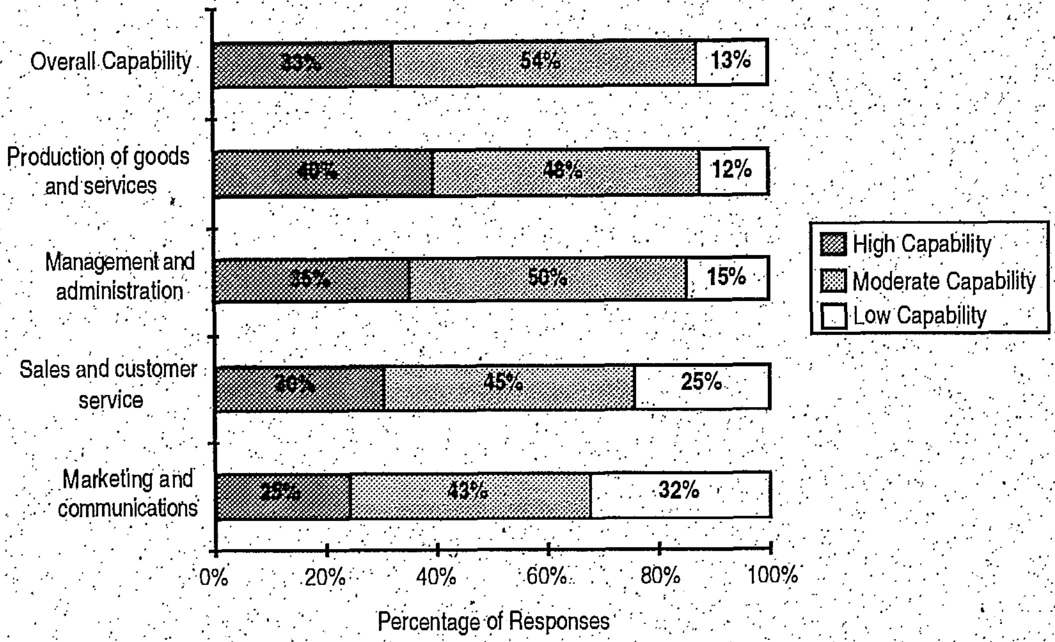
4.2 Computer Capabilities of the Firm

Overall, respondents rated the computer capabilities of their companies as moderate to high. Approximately one-third (33%) rated their overall capabilities as high (6 or 7 on the 7-point scale), 54% rated their capabilities as moderate (4 or 5 on the scale), and just 13% rated their capabilities as low (3 or less on the scale).

Regarding the computer capabilities for specific company functions, respondents rated their companies' capabilities as highest in the production of goods and services (40% rated this as high) and in management and administration (35% rated this as high). Computer capabilities for marketing and communications (25% rated as high) and sales and customer service (30% rated as high) were considered to be somewhat lower. These results are presented in Table 4.1.

Companies that had hired young people for professional or technical positions in the last 24 months gave higher ratings of their firms' computer capabilities. Medium-sized firms were only slightly more positive than small companies about the computer capabilities of their firms, both overall and to serve specific functions.

Table 4.1: Computer Capabilities of the Firm



Following are some other findings concerning respondents' opinions about the computer capabilities of their firms.

- Most respondents (66%) were satisfied with the computer capabilities of their company: 27% were moderately satisfied and 39% were very satisfied; just 4% were extremely satisfied (7 on the 7-point scale).
- A majority of respondents (78%) also agreed that their company gets a good return on their investments in computer hardware and software; 14% strongly agreed. On the other hand, almost one-quarter of respondents (22%) did not think that their company gets a good return on their computer investments.
- Similarly, 69% of respondents agreed that their staff makes the best possible use of existing computer equipment and software; 22% disagreed.
- Half of the respondents (50%) thought their companies are ahead of the competition in making the computer system changes needed to be competitive; 26% thought they are just keeping up and 24% thought they are falling behind the competition.

Respondents were asked to provide qualitative comments on the areas in which their companies make the most effective use of computers, and on areas where improvements would be useful. Most indicated that their companies make the most effective use of computers in accounting, financial management and administration. A number also indicated that computers are used effectively for design, engineering and production.

A number of companies indicated that improvements to computer use would be useful in various aspects of administration and management. A variety of specific hardware and software improvements were also mentioned as being desirable. Improvements related to production/work management, sales and marketing, and communications and reporting were mentioned by a small number of companies.

4.3 Company Use of Internet and On-Line Services

A majority of the companies (60%) have access to the Internet, including 56% of smaller companies and 71% of medium-sized companies. Companies in the manufacturing (59%), transportation and communications (65%) and financial, insurance and real estate (72%) sectors are more likely to have access to the Internet than companies in the construction (45%) and service (41%) sectors.

Table 4.2 below shows the purposes for which companies reported using the Internet.

Table 4.2: Purposes for Which Companies Use the Internet

Use	% of companies
E-mail	89%
Information on suppliers	49%
Advertising, promotion and marketing	39%
Business/strategic information	34%
Information on competitors	24%
Internal communications	23%
Electronic commerce/EDI	22.2%
Market research and customer identification	22%
Sales support	17%
Technical/after sales support	10%

The patterns of use for small and medium-sized companies are similar. Manufacturers are somewhat more likely to use the Internet for information on competitors (30%) and business and strategic information (40%). Companies in the transportation and communications sector are more likely than other companies to use the Internet for advertising, promotion and marketing (46%).

Fewer companies (21%) subscribe to commercial on-line business services. Almost all of these companies (91%) indicated that they also use the Internet for business activities. On-line business service subscribers use these services for the activities shown in Table 4.3 overleaf.

Table 4.3: Purposes for Which Companies Use Commercial On-line Services

Use for On-line Business Services	% of companies
Information on suppliers	47%
General business/strategic information	44%
Technical information	38%
Other uses	25%
Market research	22%
Information on competitors	13%

Almost three-quarters of the companies (72%) are interested in using the Internet for their business. Interest is strong across all sectors and for both small and medium-sized companies. Companies with higher computer capabilities and who are more satisfied with their computer capabilities are more likely to be interested in using the Internet in their business.

Only about one in five companies (18%) with access to the Internet did not express interest in using the Internet for business. However, over half (56%) of the companies that do not currently have access to the Internet expressed an interest in using the Internet for business, including 20% who have a very strong interest.

Interest in using or exploring the Internet or on-line business services was strongest for the following strategic business planning activities: technical information (76% interested including 32% very interested) ***and general business/strategic information*** (77% interested including 25% very interested).

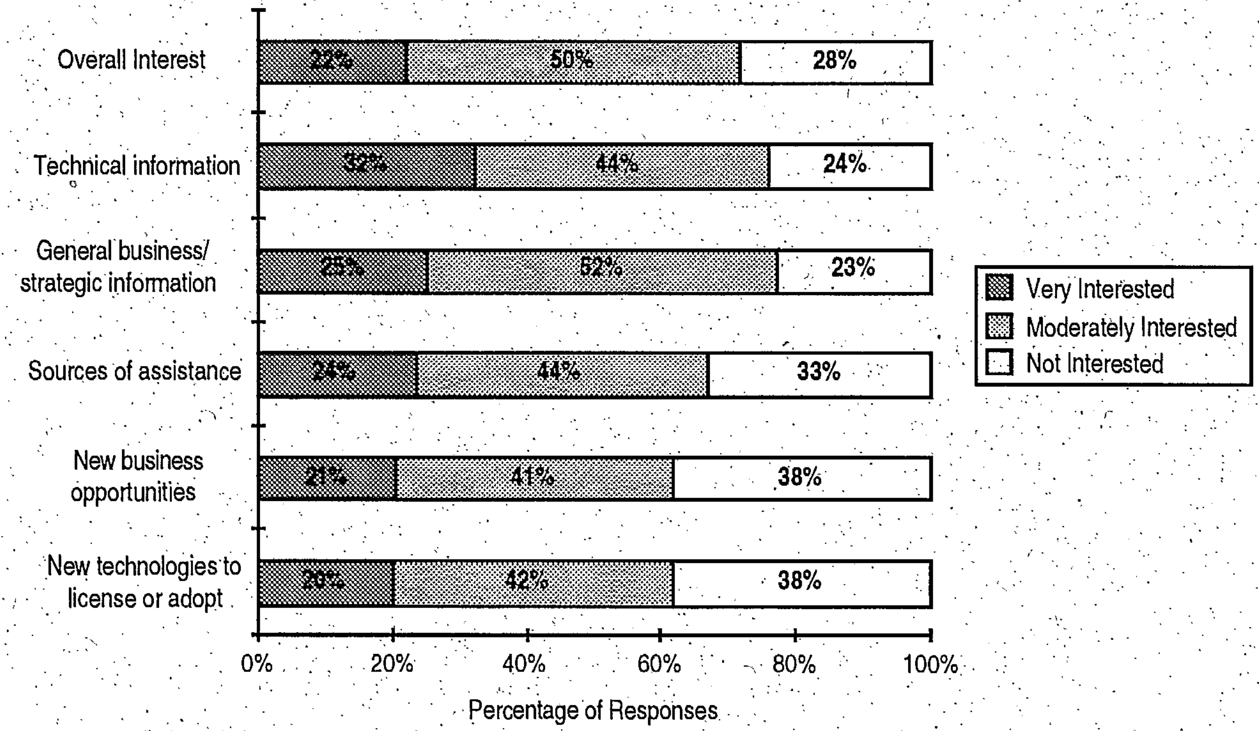
Interest was also relatively high for research into sources of assistance, research into new business opportunities and research into new technologies. These results are presented in Table 4.4.

In qualitative comments, companies indicated that Intemet access would be most useful for communications purposes (e.g., access to/communication with customers, internal communications, e-mail, etc.), for marketing and sales, and for research into markets, suppliers and technical information.

4.4 Computer Needs for Management and Administration

The survey asked respondents about the potential usefulness of 15 different types of improvements to their firms' computer capabilities in the area of management and administration. ***Overall, respondents were very positive about the extent to which these various improvements in computer capabilities would be useful for improving their firms' management and administration.*** In fact, for 14 of the 15 improvements reviewed, a large majority of respondents said that the improvements would be at least moderately useful.

Table 4.4: Interest in Using the Internet for Strategic Business Planning



The 15 types of improvements reviewed were in three broad areas: 1) strategic business planning; 2) financial management; and, 3) other management functions such as scheduling and project management, inventory control and human resource management. (For details, see the questionnaire - Question 11 - in Appendix A). Among these three broad management functions, ***respondents indicated that, overall, improvements to their capabilities for financial management and "other" management functions would be the most useful.*** Using summary measures composed of related 7-point scales, the average ratings (out of 7) for the usefulness of the three types of improvements are as follows:

- Financial management: average score = 4.84 (47% said these improvements would be very useful; another 38% said they would be moderately useful).
- Other management functions (e.g., project management, human resources): average score = 4.78 (42% said these improvements would be very useful; another 42% said they would be moderately useful).
- Strategic business planning: average score = 4.14 (24% said these improvements would be very useful; another 41% said they would be moderately useful).

Respondents with medium-sized companies were more likely than their counterparts with smaller companies to indicate that improvements to their computer capabilities for financial management would be useful: 60% of the medium-sized firms said these improvements would be very useful compared to 42% of smaller firms. Similarly, medium-sized companies were more likely than smaller firms to think that improvements to "other" management functions such as project management and human resources would be useful: 50% compared to 40% of smaller firms.

Among those companies that were most supportive of youth hiring initiatives, over half (52%) indicated that improvements in computer capabilities for strategic business planning would be very useful. Companies that have hired greater numbers of young workers for technical and professional positions were also more likely to think that improved computer capabilities for financial management would be useful to their firms. About 60% of firms that have hired 10 or more young people said improvements for financial management would be useful, compared to 33% of firms hiring fewer than 10 young people and none of the firms that hired no young people.

The rated usefulness of all three types of improvements to computer capabilities is highly correlated with the availability of work opportunities for young people in respondents' firms. For example, 63% of respondents who said that computer improvements for strategic business planning would be useful also said there are work opportunities for young people; only 43% who said such improvements would not be useful said there are work opportunities.

There is also a strong relationship between interest in using the Internet for business and the rated usefulness of improvements to computer capabilities for management and administration. For example, 94% of respondents who said that computer improvements for strategic business planning would be useful also were interested in using the Internet for business compared to 60% of respondents who said that such improvements would not be useful.

In qualitative comments, respondents indicated that the main advantages of investments in computer technologies for management and administration lay in faster access to information, better-quality information for decision-making, greater cost-effectiveness and improved efficiency and productivity. Competitive factors were also cited as driving forces behind investments in computer technologies.

4.4.1 Strategic Business Planning

Research into new markets and competitive intelligence were rated as the most useful types of improvements in computer capabilities for strategic business planning. Research in support of strategic business objectives was considered to be moderately useful while identification of new sources of investment and funding was less important. These results are presented in Table 4.5a opposite.

4.4.2 Financial Management

Cost management was rated as one of the most useful types of improvements overall and as the most useful type of improvement for financial management. Accounting/bookkeeping and payroll were also rated very highly. For each of the five types of financial management functions reviewed, a large majority of respondents thought that improvements to computer capabilities would be at least moderately useful. These results are presented in Table 4.5b.

Table 4.5a: Usefulness of Improvements to Computer Capabilities for Strategic Business Planning

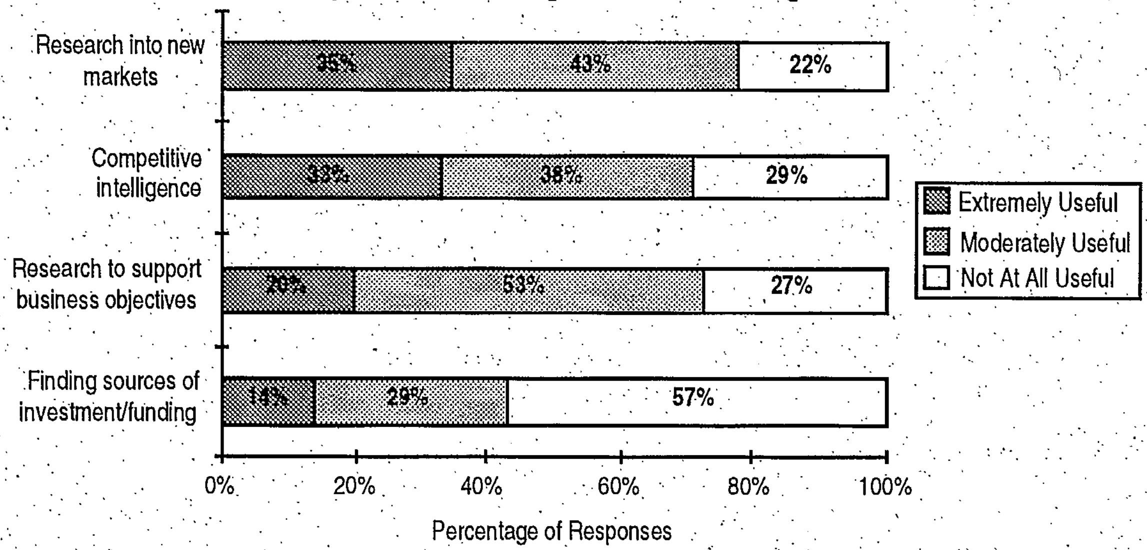
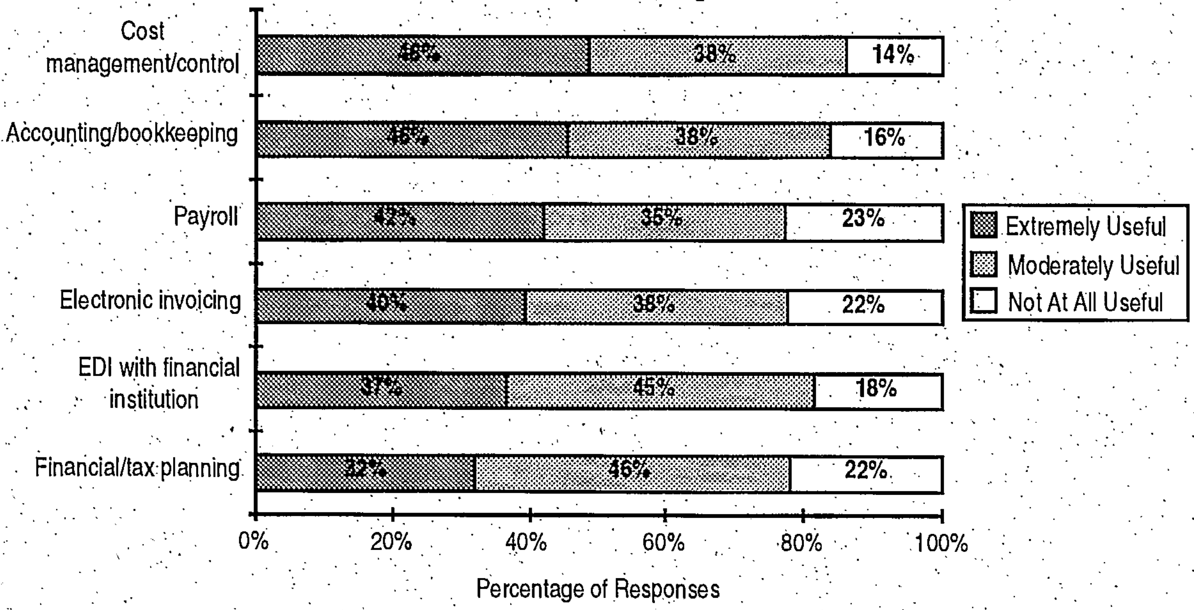


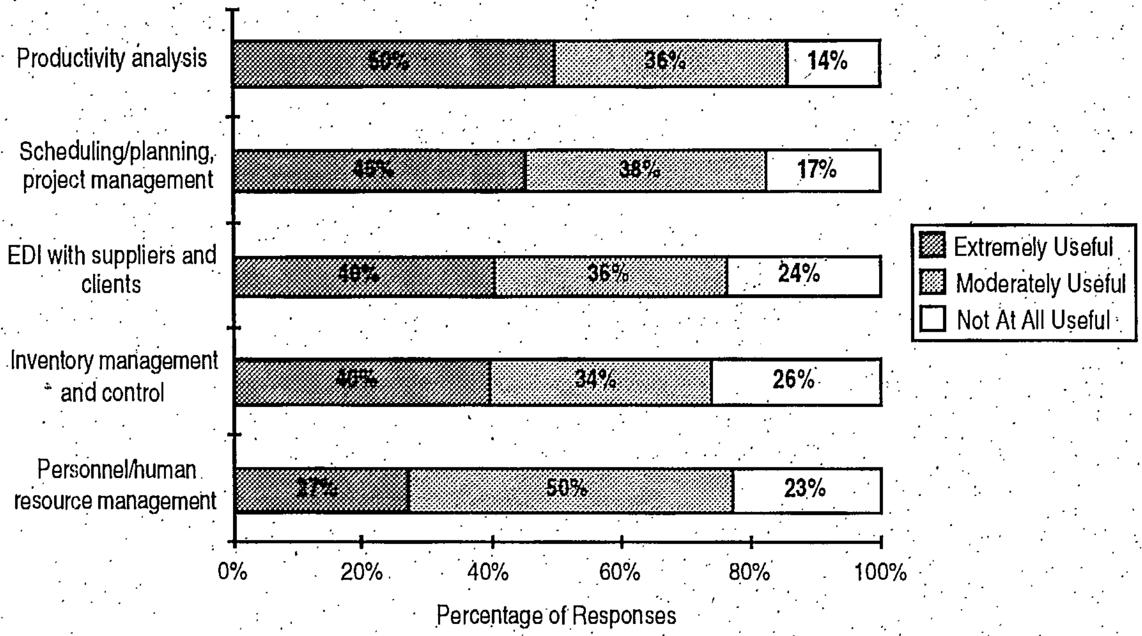
Table 4.5b: Usefulness of Improvements to Computer Capabilities for Financial Management



4.4.3 Other Management Functions

Productivity analysis and scheduling/planning and project management were rated as the most useful improvements to computer capabilities for other management functions. Even for the least highly rated function, human resource management, over one-quarter of respondents (27%) indicated that improvements in their computer capabilities for this function would be very useful. These results are presented in Table 4.5c.

Table 4.5c: Usefulness of Improvements to Computer Capabilities for Other Management Functions

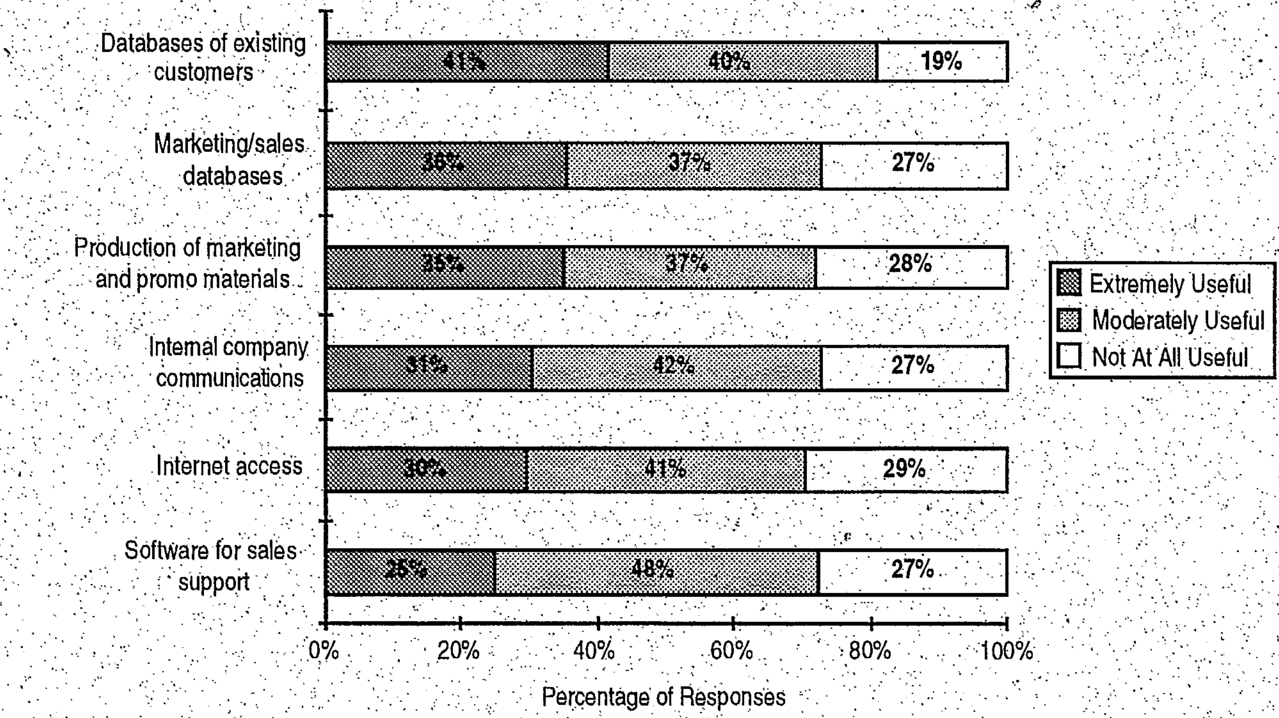


4.5 Computer Needs for Marketing and Communications

Respondents' opinions about the value of improvements to computer capabilities for marketing and communications were similar to their views about improvements for management and administration. ***Most respondents (78%) indicated that, overall, improvements to their firms' computer capabilities for marketing and communications would be useful:*** 43% thought such improvements would be moderately useful and 35% thought such improvements would be very useful. The average score of a summary scale (based on the six items presented in Table 4.6) is 4.5.

Improving databases of existing customers was rated as the most useful improvement to computer capabilities: 81% rated this as at least moderately useful, including 41% who rated it as very useful. Production of marketing and promotional materials (scale mean = 4.6), marketing/sales databases (scale mean = 4.5), and internal company communications such as e-mail and networks were also highly rated for their usefulness. These results are presented in Table 4.6 following.

Table 4.6: Usefulness of Improvements to Computer Capabilities for Marketing and Communications



The opinions about the value of improvements to computer capabilities for marketing and communications were consistent for firms in different sectors and for both small and medium-sized firms. Respondents' views about these improvements were also consistent no matter what their level of satisfaction with current computer capabilities.

Higher ratings of the usefulness of improvements to computer capabilities for marketing and communications were very strongly related to interest in using the Internet for business development (r = .5). Interest in using the Internet was also related, although not as strongly, to ratings of the usefulness of improvements to computer capabilities for strategic business planning (r = .35) and for other management functions like project management or human resources (r = .2), but not for financial management.

In qualitative comments, respondents indicated that the main advantage of investments in computer technologies for marketing and communications was, again, faster access to better information. A number of respondents also indicated that better customer service and access to new customers were important motivating factors.

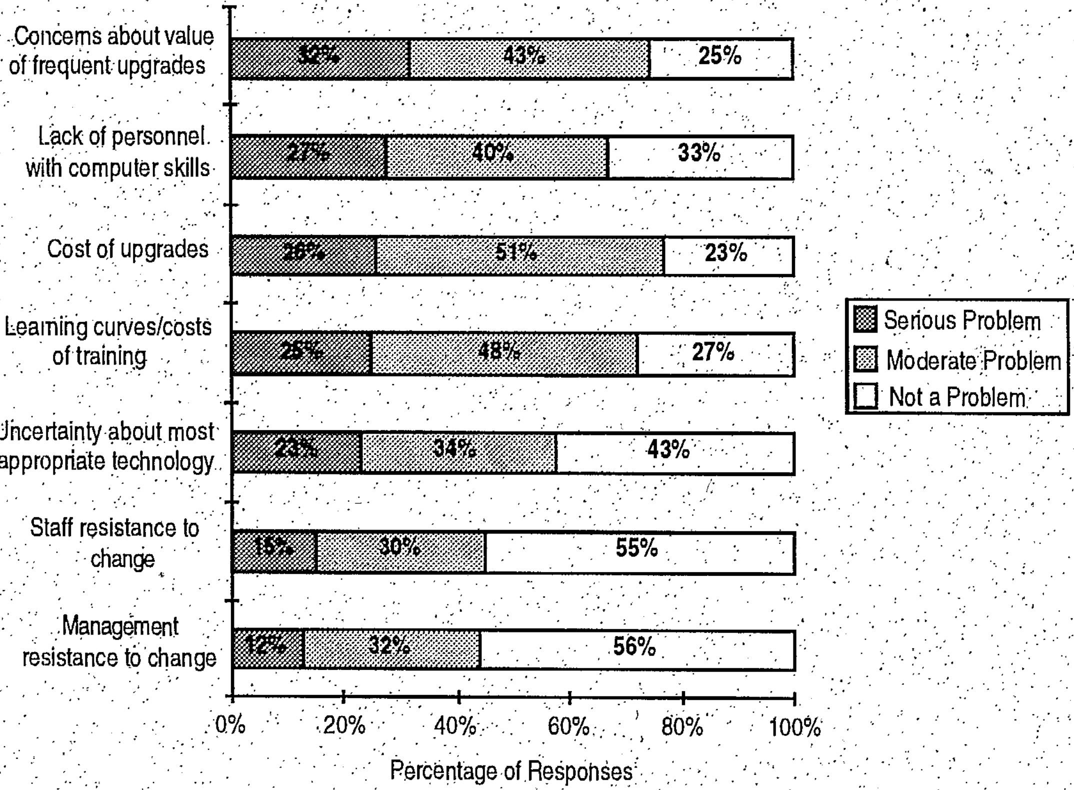
4.6 Barriers to Computer Use

Two-thirds of respondents (66%) reported that their companies have problems that present barriers to making improvements in their computer capabilities. For most of the companies (49%), these problems were rated as moderate barriers; for 18% the problems were rated as serious. Smaller firms rated the barriers as more serious than medium-sized firms. Firms in the construction sector also rated them as more serious, while they were less serious for manufacturers.

Respondents who were less satisfied with their companies' computer capabilities also reported greater barriers to improving them. On the positive side, ***companies with greater barriers to improving computer capabilities were more likely to indicate that they have computer-related work opportunities.***

For specific barriers to improving computer capabilities, the most serious were concerns about the value of frequent upgrades to hardware and software (scale mean = 4.5) and the cost of upgrading hardware and software (scale mean = 4.4). The learning curves and costs of staff training (scale mean = 4.3) and the lack of personnel with sufficient computer skills (scale mean = 4.2) were also considered to be significant barriers. Other problems, including management and staff resistance to change, were not considered to be as serious. These results are presented in Table 4.7. Qualitative comments on barriers to improving computer capabilities also focused mainly on costs and learning curves/requirements for training.

Table 4.7: Barriers to Improving Companies' Use of Computers



5.0 New Market Development and Exporting

5.1 Overview of Firms in the Marketing Survey Sample

5.1.1 Firm Sector and Size

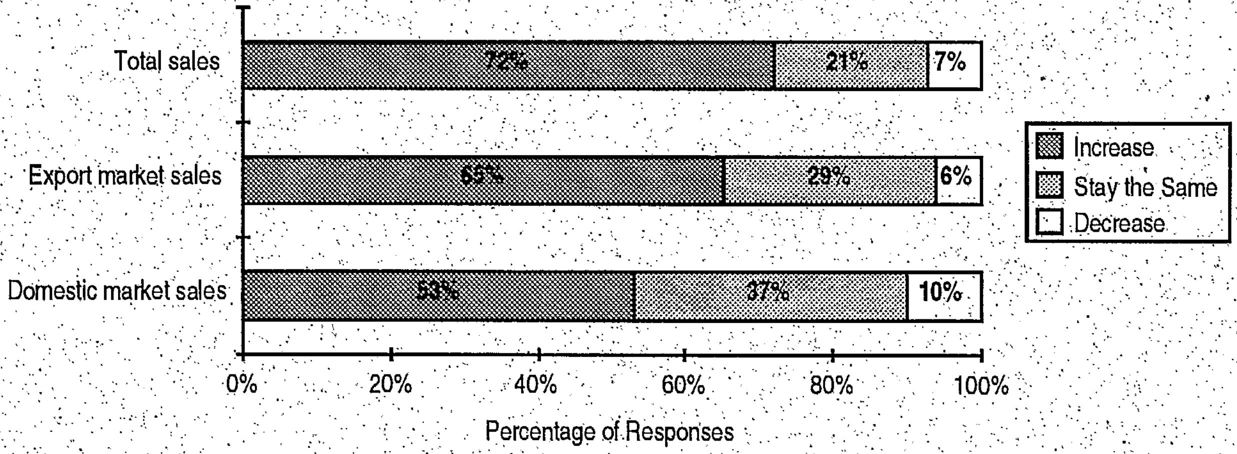
There were 235 SMEs in the sample for the new market development and exporting survey. Two-thirds of the companies in the sample were manufacturers (66%). The other one-third of the companies represented three sectors: transportation and communications (13%), construction (11%), and services (10%).

About 80% of the sample was composed of smaller companies with between 20 and 250 employees. The remaining 20% were medium-sized companies with between 250 and 500 employees. Almost all of these medium-sized companies were manufacturers. For the smaller firms, the average number of employees working at the location of the respondent was 56; the overall average for all locations in Canada was 76. For the medium-sized companies the average number of employees working at the location of the respondent was 347; the overall average for all locations in Canada was 413.

5.1.2 Business Growth Prospects

Most of the companies in the sample were on the up side of the growth curve, in terms of both expected export and domestic sales. Almost three-quarters (72%) expected their total sales to increase in the next year, including 29% which expected sales to increase substantially (6 and 7 on the 7-point scale). Over half (53%) expected their domestic sales to increase, including 20% which expected these sales to increase substantially. Respondents were even more optimistic about their exporting prospects. Two-thirds (65%) of the companies which either export already or are interested in exporting expected their export sales to increase. A third of these companies (33%) expected their export sales to increase substantially.

Table 5.1: Sales Prospects in the Next 12 Months



5.2 Export Market Development

5.2.1 Export Activity Profile

A majority of the companies (61%) already earn export revenues, a proportion which is much higher than is found in the SME population as a whole. On average, companies that already export earn 39% of their current revenues from exports (the percentages are the same for small and medium companies). Almost one-quarter (23%) earned over 50% of their revenues last year from export sales. Over one-third (37%) earned over 25% of their revenues last year from export sales.

Companies that currently export have been exporting for an average of 14 years. Smaller companies (20 - 250 employees) have been exporting an average of 13 years; medium-sized companies (251-500 employees) have been exporting for an average of 17 years.

A majority of exporters (58%) are satisfied with the success of their company's past and current export activities; 18% are dissatisfied and 24% are neither satisfied nor dissatisfied. Medium-sized companies are more likely than smaller companies to be satisfied with their past and current export activities: 68% are satisfied compared to 55% of smaller companies.

The United States is by far the leading export market for companies participating in the survey. Over 90% of the exporters export to the U.S. Southeast Asia and the Pacific Rim (36%) and Western Europe (30%) are the next most important markets overall. Similar proportions of small and medium-sized companies currently export to these three leading markets. Medium-sized companies are much more likely to export to Mexico (36%).

The current export markets of companies participating in the survey are shown in Table 5.2.

Table 5.2: Current Export Markets

Export Market	% of Exporters
U.S.	93%
SE Asia/Pacific Rim	36%
Western Europe	30%
Mexico	21%
Central and South America	21%
Middle East	16%
South Asia	14%
East and Central Europe	13%
Other	9%

5.2.2 Interest in Export Market Development

Overall Interest in Export Marketing

Interest among companies is very high for export market development, for specific export markets and for information to take advantage of export markets. Three-quarters of the companies (76%) are at least moderately interested in exporting or developing new export markets over the next 24 months. Over half (52%) are very interested (a rating of 6 or 7 on the 7-point scale). Almost one-quarter of the companies (22%) are not at all interested in exporting.

Manufacturers expressed the strongest interest in export market development of the four sectors represented in the survey: 88% of manufacturers expressed at least a moderate interest in exporting compared to 55% for companies in the service sector, 50% for transportation and communication companies and 35% in the construction sector.

Interest in export market development and exporting is related both to the availability of job opportunities for young people in their companies and their interest in a work experience program targeted to young professionals. For example, about 80% of companies which are interested in export marketing are also interested in a work experience program for young professionals; for companies not interested in exporting, about 60% are interested in a work experience program for young professionals.

Interest in Specific Export Markets

The export markets of greatest interest to most companies are generally the ones at the top of the list of markets to which companies currently export: i.e., the U.S., Western Europe and Southeast Asia and the Pacific Rim. Mexico is a market for which the level of interest is high relative to current export activity.

The overall level of interest in exporting is most highly correlated with interest in the U.S. and Western Europe markets. These relationships emphasize the strength of the interest in these markets. Correlations between overall interest in exporting and interest in other specific markets are moderately strong. Levels of interest in the different export markets are presented in Table 5.3.

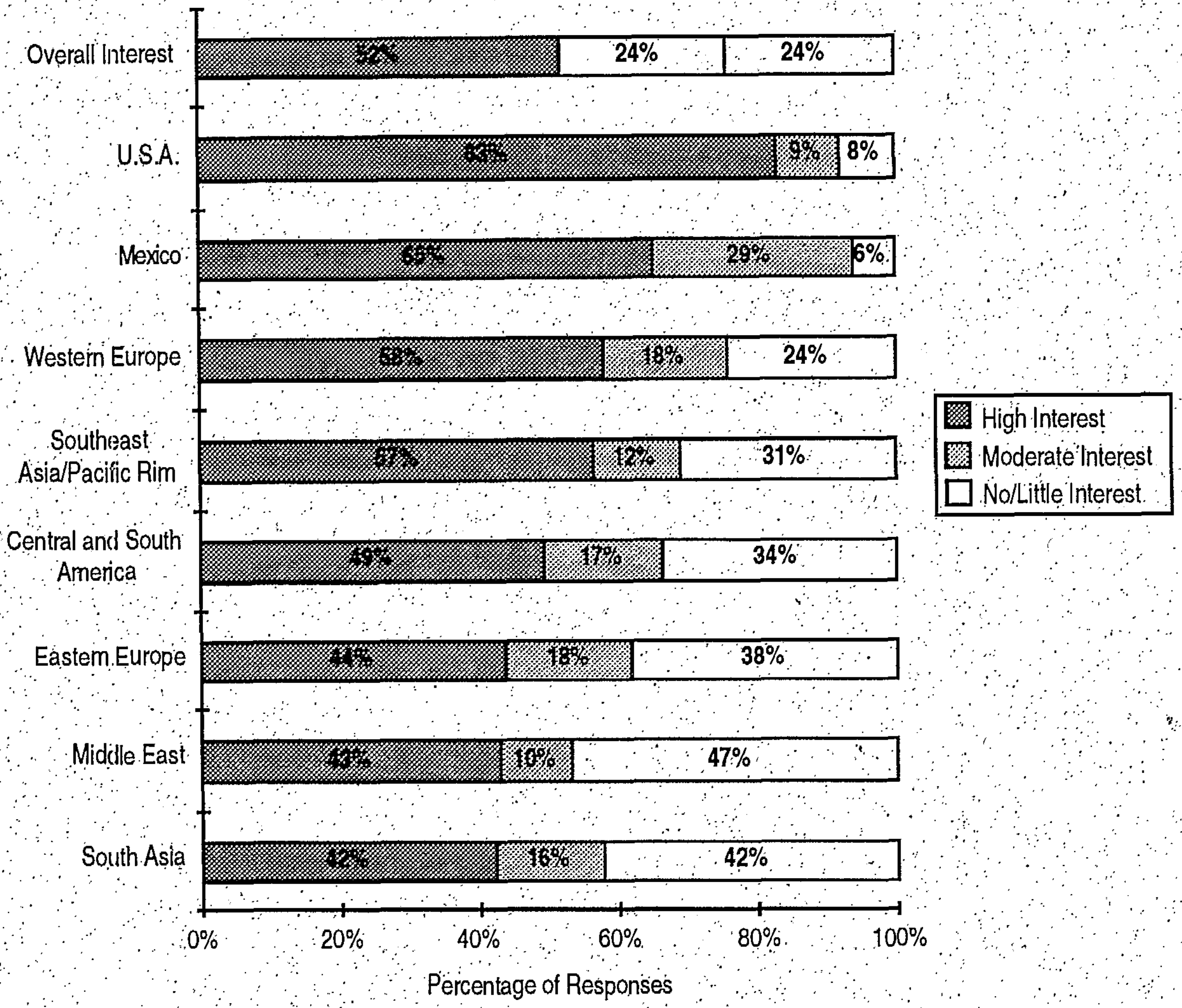
Among companies in the different economic sectors, manufacturers are the most interested in the U.S. market: 92% are interested, including 78% who are very interested. Manufacturers are also the most interested in the Western European market: 83% indicated they are interested, including 47% who are very interested.

Service companies expressed the greatest interest in Mexico (80% interested; 40% very interested), Southeast Asia/Pacific Rim (87% interested; 75% very interested), and South Asia (87% interested; 50% very interested). Service companies also expressed a strong interest in the U.S. market (99% interested; 63% very interested).

Medium-sized companies were even more intensely interested in the U.S. market than smaller companies: 100% were interested and 90% were very interested (compared to 89% interested and 68% very interested for smaller companies).

Not surprisingly, companies that earn a greater proportion of their revenues from exporting were more likely to be interested in each of the specific export markets.

Table 5.3: Interest in Export Markets

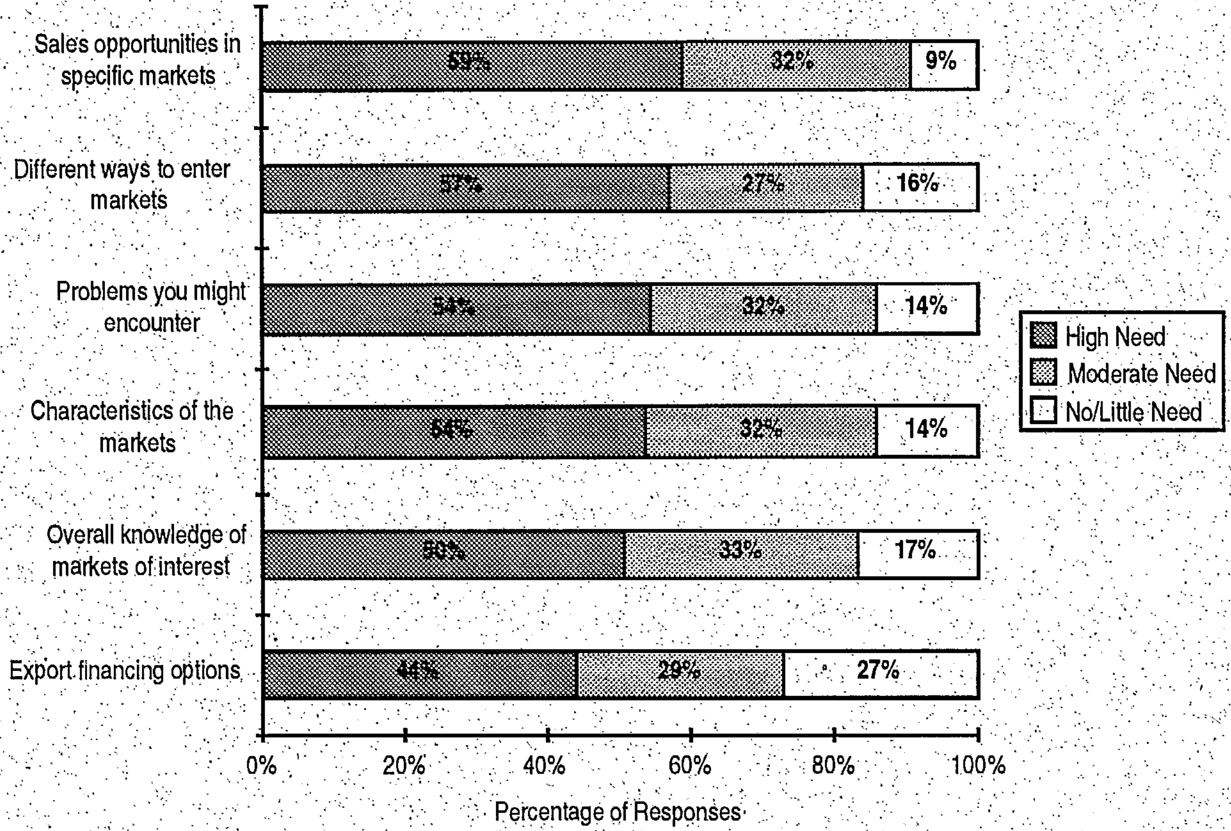


5.2.3 Need For Information to Take Advantage of Export Market Opportunities

Respondents were asked about their needs for different types of information to take advantage of export market opportunities. There was a high degree of consistency in the responses to the six questions dealing with the need for export-related information, so companies can be differentiated according to their overall need for information. Based on a summary index of the different types of information, over half of the respondents (57%) indicated that their companies have a high need for export market information; 31% have a moderate need and just 11% have a low need for these types of information.

The highest priority for export-related information is for sales opportunities in specific markets (91% identified at least a moderate need, 59% identified a high need). ***A majority of respondents also identified a high need for all other types of information except for export finance options.*** Company ratings of their need for specific types of information to take advantage of export market opportunities are presented in Table 5.4 following.

Table 5.4: Need for Information for Export Marketing



Representatives of companies who expressed higher levels of interest in specific export markets were also more likely to express a higher need for information, particularly information about sales opportunities, and for better overall knowledge of the international markets that interest their companies.

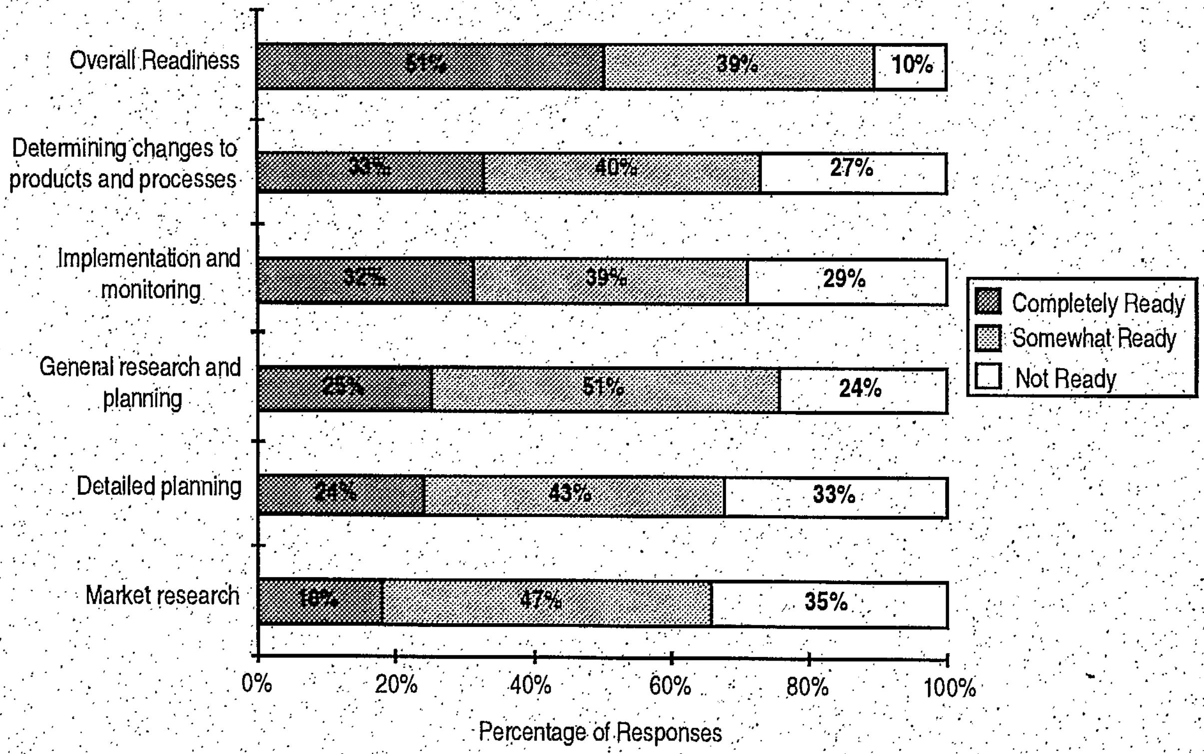
Respondents who expressed a higher need for information about export market opportunities were also more likely to have job opportunities for young people in their companies and to have an interest in a work experience program for young professionals.

5.2.4 Export Readiness

Respondents interested in export markets rated their companies' overall readiness to take advantage of export opportunities as very high: 90% indicated that their companies are at least somewhat ready (4 or higher on the 7-point scale), including a majority (51%) who said they are completely ready (6 or 7 on the 7-point scale). Even among companies which do not currently export (but which are interested), a majority (58%) rate their companies as at least somewhat ready; over one-quarter (27%) of the non-exporters said they are completely ready. Among those companies which currently earn at least 25% of their revenues from exports, virtually 100% rated their companies as at least somewhat ready; about two-thirds (66%) rated their companies as completely ready.

Respondents reported that their companies were best prepared for exporting in the following areas: general research and planning (76% said they are at least somewhat export-ready, including 25% who said they are completely ready), determining changes needed to products or production processes (74% ready, with 33% completely ready), and implementation and monitoring (71% ready, with 32% completely ready). ***Areas in which respondents rated their companies as least export-ready were: market research*** (65% at least somewhat ready, with 18% completely ready) ***and detailed planning*** (67% ready, with 24% completely ready). These results are presented in Table 5.5.

Table 5.5: Export Readiness



It is interesting that respondents' ratings of their companies' status with respect to the specific steps needed for export readiness were not as high as their ratings of their overall export readiness. When an overall "export readiness" scale is constructed using only the responses to the five questions about export readiness in specific areas, we find that about one-third (30%) of companies are not ready, one-third (33%) are somewhat ready, and only just over one-third (37%) indicate that they are completely ready for exporting. Thus, there appears to be a gap between SMEs' interest and enthusiasm for exporting (perceived "overall readiness") and their readiness for the specific tasks that cumulatively constitute export readiness.

Companies that rated themselves as export-ready were more likely to be medium-sized (56% compared to 32% of smaller firms), satisfied with past and current export activity (54% compared to 25% of firms not satisfied with past exporting activities), and active exporters with more than 25% of revenues from exports (47% compared to 25% of firms with less than 25% of revenues from exports).

5.2.5 Barriers to Successful Exporting

Companies rated the eight problems presented in the questionnaire as moderately serious barriers to successful exporting. The average ratings on the seven-point scales ranged from a high of 4.5 for a lack of personnel to a low of 3.3 for language and cultural barriers. Overall, based on a summary index composed of the eight individual questions, 43% of respondents indicated that their companies have few or no barriers to exporting, 45% have moderate barriers and just 12% have more serious barriers to exporting.

The problem judged by most respondents to be the most serious barrier to exporting is a lack of personnel time to research and follow-up export opportunities: 76% rated this as at least a moderate problem, including 28% who rated it as a serious problem. Only one other barrier had an average score of more than 4.0 on the 7-point scales: the difficulty of finding partners in the export market (average rating of 4.1). The results about the extent to which these different problems represent barriers to exporting are presented in Table 5.6. Few respondents noted any other barriers in their qualitative comments.

Smaller companies were more likely to indicate that they face a broad range of barriers to successful exporting:

- 39% of small companies, compared to 51% of medium-sized companies, indicated that, overall, they face no or few barriers to exporting.
- 14% of small companies reported that they face serious barriers; this compares to only 7% of medium-sized companies.

For specific barriers, smaller companies were more likely to report that they have greater problems finding partners and obtaining financing. They are also more concerned about delays or difficulties in receiving payment.

The ratings of different barriers to successful exporting generally were not related to company interest in different export markets, with one exception. Delays or difficulties in receiving payment was rated as a more serious problem by companies interested in the Mexican and Central and South American markets.

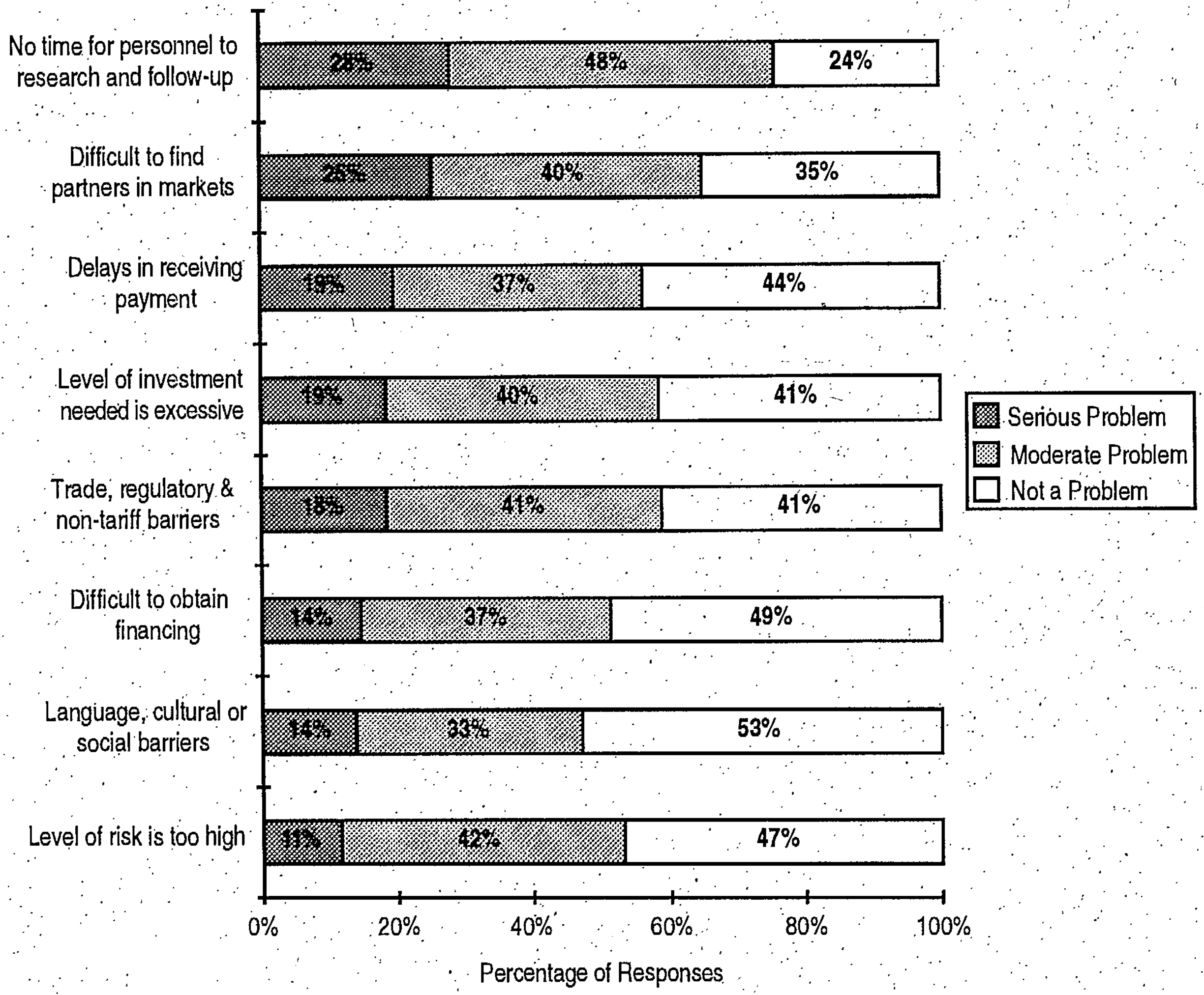


Table 5.6: Barriers to Successful Exporting

5.3. Domestic Market Development

5.3.1 Interest in Expanding Domestic Business

A majority of companies are interested in expanding their domestic business, particularly by increasing sales of existing products and services but also by selling new products or services. For existing products and services, almost all companies (94%) indicated that they are at least moderately interested in increasing their sales in their home province; 66% are very interested. Almost as many companies were interested in increasing their sales of existing products and services elsewhere in Canada: 83% indicated that they are at least moderately interested and 60% are very interested.

For new products and services, 84% indicated at least moderate interest, and 53% are very interested in increasing sales in their home province. Almost as many want to increase their sales in other parts of Canada: 74% reported that they are at least moderately interested and 46% are very interested. These results are presented in Table 5.7.

There are some sectoral variations in the levels of interest in different methods of domestic market expansion.

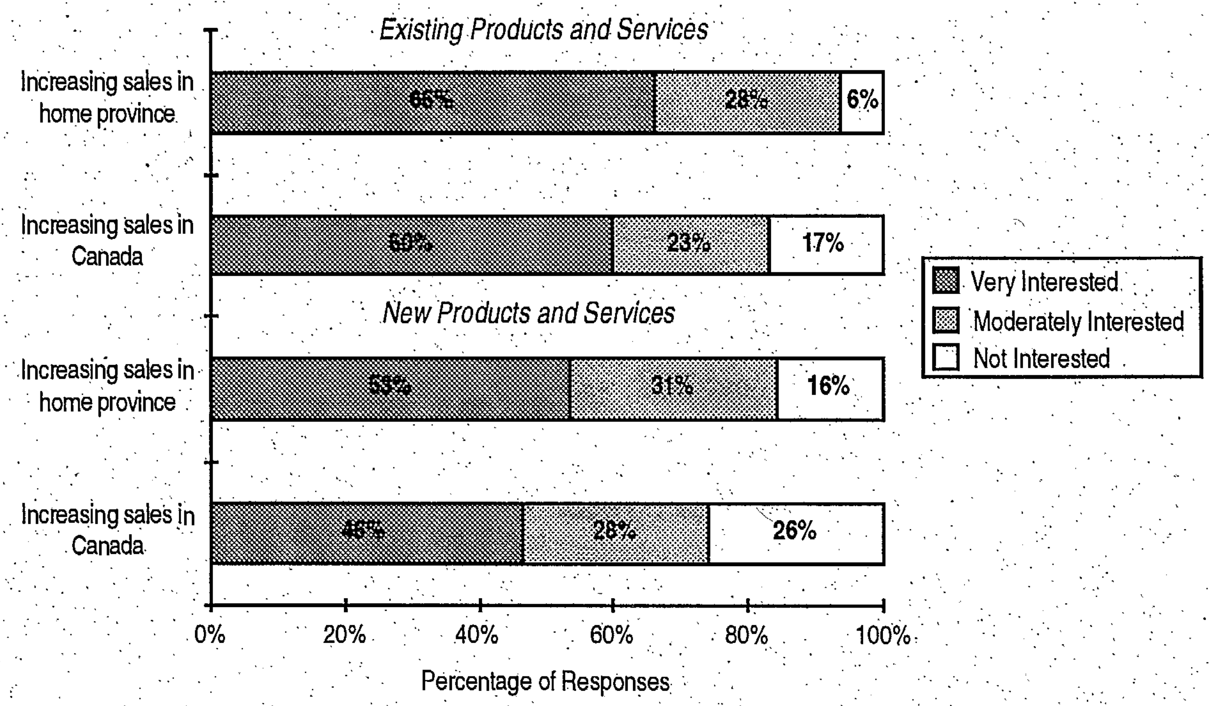
- Construction and service companies are more interested in increasing their sales of existing products or services in their home province.
- Manufacturers are more interested in increasing their sales of both existing and new products elsewhere in Canada.

Smaller companies expressed a higher level of interest than medium-sized companies in increasing sales of both new and existing products and services in their home province.

Companies with a strong interest in export markets were less interested in increasing their sales to parts of Canada outside their home province.

Respondents expected to face very tough competition from other companies selling similar products and services in their target markets. Over 90% expected to face at least some competition and 65% expected to face a high level of competition. Medium-sized companies rated the competition as even tougher than smaller companies.

Table 5.7: Interest in Domestic Market Expansion



Respondents expected the competition to come from both domestic and foreign sources: 39% said the main competition will be domestic, 19% said it will be from foreign-based companies and 42% said both. Manufacturers were the least likely (30%) to report that the competition will come mainly from domestic sources. Only 19% of medium-sized companies reported that the competition will come mainly from domestic sources.

5.3.2 Barriers to Expanding Sales in Canada

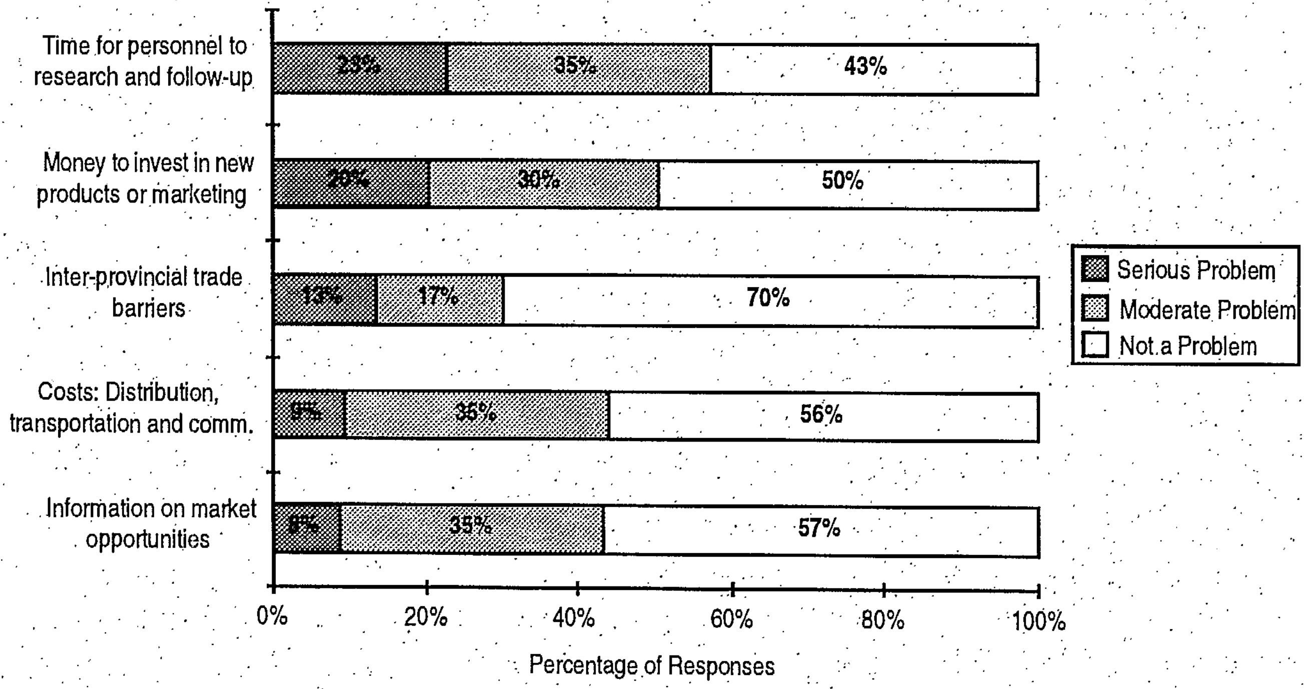
Barriers to expanding domestic sales were rated as less problematic than those for export sales, and none of the five problems presented in the survey were rated as serious by most companies.

Just as with export marketing, a lack of personnel time to research and follow-up marketing opportunities was rated as the most significant barrier. 58% rated it as at least a moderate problem and 23% considered it to be a serious problem. Companies with a stronger interest in increasing domestic sales of their products or services were even more likely to consider a lack of personnel time to research and follow up marketing opportunities as a more serious barrier.

A lack of money to invest in marketing or new product development was rated as the second most significant barrier: 50% rated it as at least a moderate problem and 20% considered it to be a serious problem. The other three problems were rated by a majority of respondents as not significant barriers. These results are presented in Table 5.8.

In qualitative comments on barriers to domestic market development, the most commonly mentioned barriers were competition and restricted market size.

Table 5.8: Barriers to Expanding Sales in Canada



6.0 Customer Service

6.1 Overview of Firms in the Customer Service Survey Sample

6.1.1 Firm Sector and Size

There were 115 SMEs in the sample for the customer service survey. Half of the companies in the sample were manufacturers (48%). The other half of the companies represented four sectors: financial, insurance and real estate (18%); transportation and communications (17%); construction (11%); and the service sector (6%).

About three-quarters (76%) of the sample was composed of smaller companies with between 20 and 250 employees. The remaining 24% were medium-sized companies with between 251 and 500 employees. Each of the five sectors was represented by both small and medium-sized companies. For the smaller firms, the average number of employees working at the location of the respondent was 70; the overall average for all locations in Canada was 177. For the medium-sized companies the average number of employees working at the location of the respondent was 176; the overall average for all locations in Canada was 348.

6.2 Profile of Current Customer Service Practices and Attitudes

6.2.1 The Importance of Customer Service for Business Growth and Competitiveness

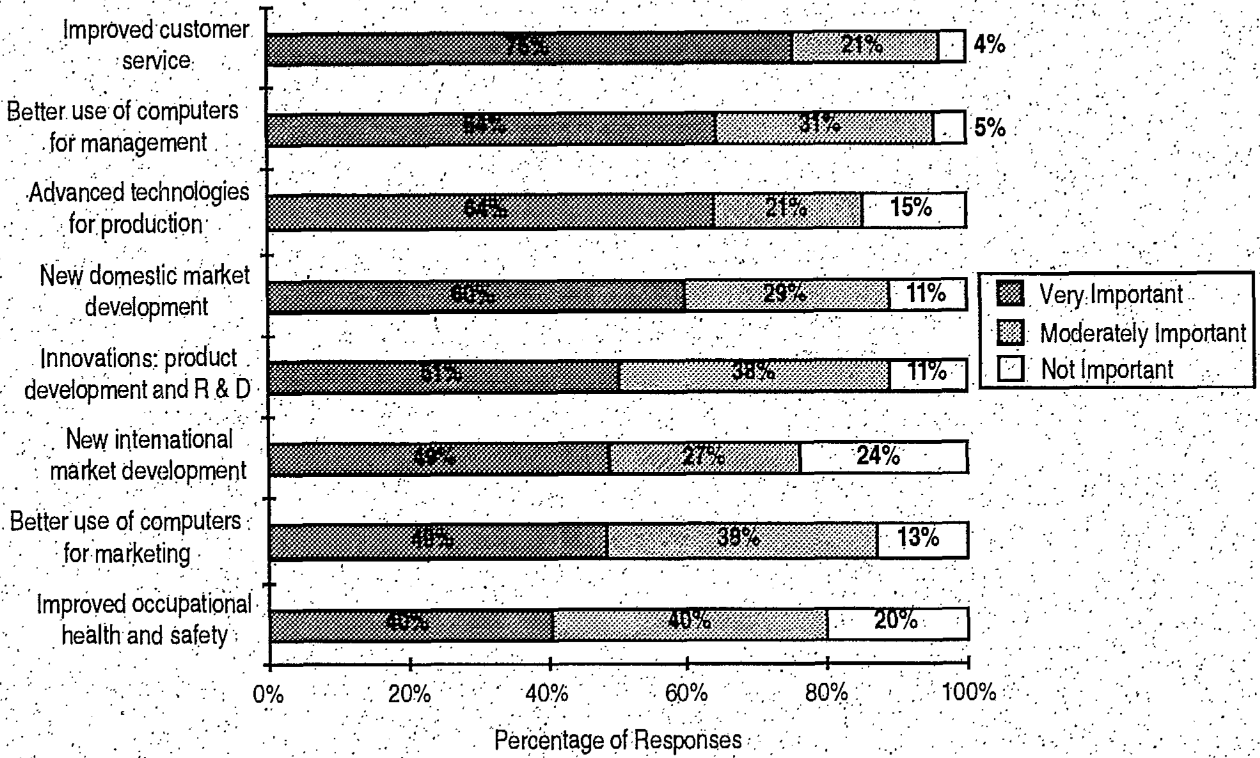
Improving customer service was rated by senior SME representatives as the most important of several different factors contributing to business growth and competitiveness. Respondents were asked to rate the importance of a total of eight factors that could contribute to the growth and competitiveness of their businesses. The factors were those that had been most highly rated by respondents to the Phase I survey.

Three-quarters of all respondents (75%) rated improved customer service as very important to their company's growth and increased competitiveness (6 or 7 on the 7-point scale); 45% rated this as extremely important (7 on the scale). The average score on the 7-point scale was 6.0— the only factor with an average rating of 6.0 or higher. The high ratings of the importance of improved customer service were consistent among representatives of different sectors and small and medium-sized companies. These findings support the high rating which had been given to customer service by respondents to the Phase I questionnaire.

Other factors were also rated as very important for business growth and competitiveness. The three most highly rated were better use of computers for management and administration (64% rated this as very important; average scale rating = 5.8), better use of advanced technologies for production (64% rated this as very important; average scale rating = 5.5), and new domestic market development (60% rated this as very important; average scale rating = 5.5).

The ratings of the importance of the eight different factors contributing to growth and competitiveness are presented in Table 6.1 following.

Table 6.1
Importance of Different Factors for Business Growth and Competitiveness



The overall ratings for international market development were somewhat lower than for most of the other competitiveness factors. Manufacturers, however, rated international market development as a critical factor: 90% rated it as important, including 60% who rated it as very important. Similarly, while improved occupational health and safety practices had a lower overall rating, companies in the manufacturing and construction sectors considered it to be more important.

6.2.2 Customer Service Practices

Respondents indicated that customer service has been a very high priority for their companies over the last two years. For their management, over half of respondents (55%) indicated that customer service has been the highest possible priority (7 on the 7-point scale); 82% said that it has been a high priority (6 or 7 on the scale). The average scale rating was 6.3.

Ratings of the priority placed by staff on customer service were slightly lower. About three-quarters of the respondents (71%) reported that customer service has been a high priority for staff, including 42% who said their staff gave customer service the highest possible priority. The average scale rating was 6.0. Smaller companies (under 250 employees) were more positive about the importance of customer service for their staff. The average rating on the service priority scale for smaller companies was 6.4 compared to 5.9 for medium-sized companies.

Telephone conversations, communication by fax and mail and courier delivery are the principal methods used by respondents for important communications with their customers. The percentage of companies using various methods is presented in Table 6.2 following.

Table 6.2: Principal Methods Used for Important Customer Communications

Method	**% of Companies**
Telephone conversations	90%
Fax	80%
Mail/courier	77%
Periodic In-person Meetings	67%
Regular In-person Meetings	50%
800/888 telephone service	31%
Computer (e.g., e-mail)	23%
Other	08%

Medium-sized companies (33%) are more likely than smaller companies (19%) to use computers (e.g., e-mail) for important customer communications. The medium-sized companies are also more likely to use regular in-person meetings: 56% compared to 47% for smaller companies.

Regular in-person meetings are used for important customer communications much more frequently by companies which place a high priority on customer service: 53% of companies which place a high priority on customer service indicated that they use regular in-person meetings compared to 38% of those which place only a moderate priority on customer service.

Three-quarters (75%) of respondents reported that their companies have introduced new policies or programs in the last two years specifically to improve customer service. Companies in the manufacturing sector (80%) and financial, insurance and real estate sector (83%) are more likely to have initiated such policies or programs. Medium-sized companies (85%) are also more likely than smaller companies (71%) to have introduced new service policies or programs.

Staff training, customer service analysis and evaluation and management training are the types of activities which have been employed most frequently by companies in the last two years. Medium-sized companies are the most likely to have used management training: 70% compared to 58% of smaller companies. The frequency with which companies have used different types of activities to improve service is presented in Table 6.3 overleaf.

Table 6.3: New Customer Service Activities Introduced in the Last Two Years

Activity	% of Companies
Staff training	84%
Customer service analysis/evaluation	62%
Management training	61%
Comprehensive service program (e.g., TQM)	41%
Customer research/consultations	40%
Other	18%

6.3 Opinions About Progress in Providing Customer Service

Respondents were asked their opinions about several aspects of customer service, including the role of customer service in their businesses and how their businesses have fared with respect to their competition. Viewed collectively, the responses to these questions affirm the critical importance of customer service to businesses of all types and in all sectors of the economy. ***Virtually everyone (94%) agreed that constant improvements to customer service are necessary to stay competitive; almost half (47%) very strongly agreed*** (7 on the 7-point scale). Conversely, very few (12%) agreed that their business and profits are not sensitive to changes in customer service.

The results also confirm that ***most companies believe they have been doing a good if not spectacular job in improving their service to customers in recent years.*** While most respondents agreed with the statements about service improvements, many did not agree strongly. For example, 81% agreed that their companies have kept up with the competition in providing high quality service (31% very strongly agreed); 87% agreed that their employees understand the importance of high quality service (26% very strongly agreed); and 81% agreed that they have made significant improvements to customer service in recent years (17% very strongly agreed).

Responses to the question on the subject of making future improvements to customer service reinforced the findings about respondents' moderate levels of satisfaction with their current service offering. Almost all respondents (85%) agreed that they can do a lot more to improve their services to customers; 23% very strongly agreed. Respondents who are less satisfied with their company's services were even more likely to agree that they can do a lot more to improve their services to customers.

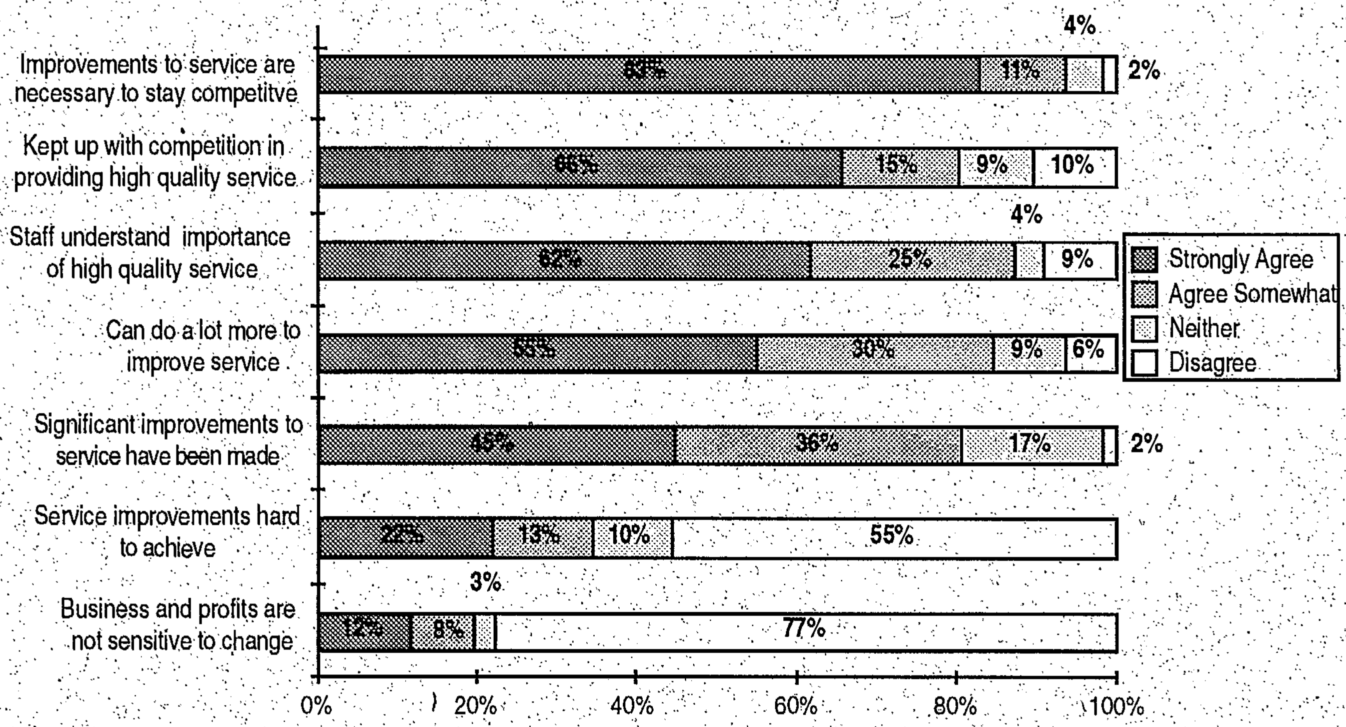
Opinions were divided about the difficulty of making improvements to customer service. While a majority of respondents (55%) did not agree that "real improvements to customer service are hard to achieve", over one-third (35%) agreed that this is true and 10% neither agreed nor disagreed.

The responses to these questions are presented in Table 6.4 below. ***The responses of these senior executives and managers indicate that they view the attitudes of employees to be the key to high quality and successful customer service.*** Satisfaction with the customer service of their companies, both overall and in specific areas, is positively correlated with their ratings of the extent to which employees understand the importance of customer service. Similarly, the higher the priority which they think their staff gives to customer service, the higher their satisfaction with the results. Finally, respondents who are less satisfied with the performance of their staff providing services are much more likely to think they can do a lot more to improve their services to customers.

6.4 Satisfaction with Services Provided to Customers

Almost all respondents (92%) were satisfied with the overall level of service delivered by their companies, although their degree of satisfaction was not particularly strong. Fewer than half (44%) were very satisfied with their overall customer service (scores of 6 or 7 on the 7-point scale); almost half (48%) were only moderately satisfied. These levels of overall satisfaction with service delivery did not vary significantly by sector or size of firm. However, respondents who indicated that customer service has been a higher priority for their companies (for both staff and management) were more likely to be satisfied with their overall service delivery.

Table 6.4: Opinions About Customer Service

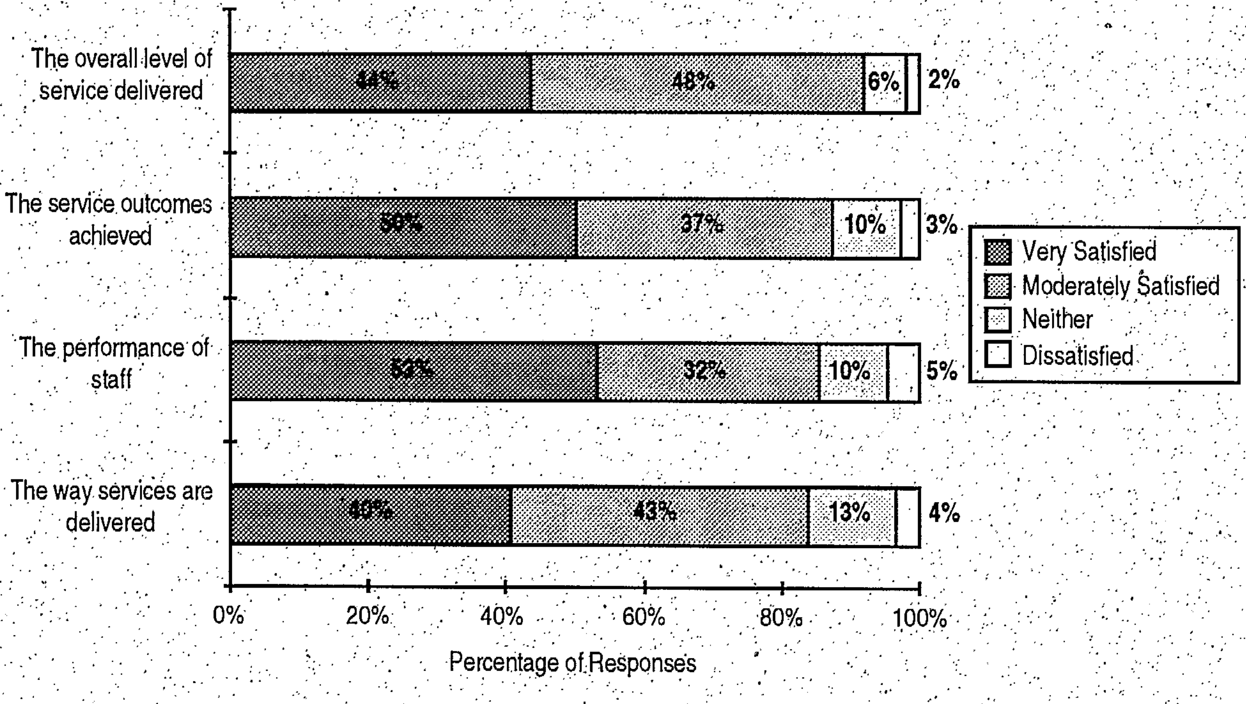


The levels of satisfaction with the way services are delivered, the performance of staff providing services and the service outcomes achieved were very similar to the overall levels of satisfaction. These results are presented in Table 6.5.

Respondents were also asked to provide qualitative feedback on the reasons for their satisfaction or dissatisfaction with their company's service performance. Those who were satisfied noted that their views were based on customer comments; their perception that service was a priority for their management and staff, and/or increasing sales. Those who were dissatisfied noted difficulties such as the need for better management information, staff turnover, or a desire to speed up the pace of change. A number of respondents indicated that "there is always room for improvement".

Respondents were quite positive about the performance of their employees working in specific functional areas in providing service to their customers, although their responses certainly indicate a lot of room for improvement. More positive ratings of employee performance were very closely associated with higher levels of satisfaction with the customer service provided by the company.

Table 6.5: Satisfaction with the Service Provided to Customers



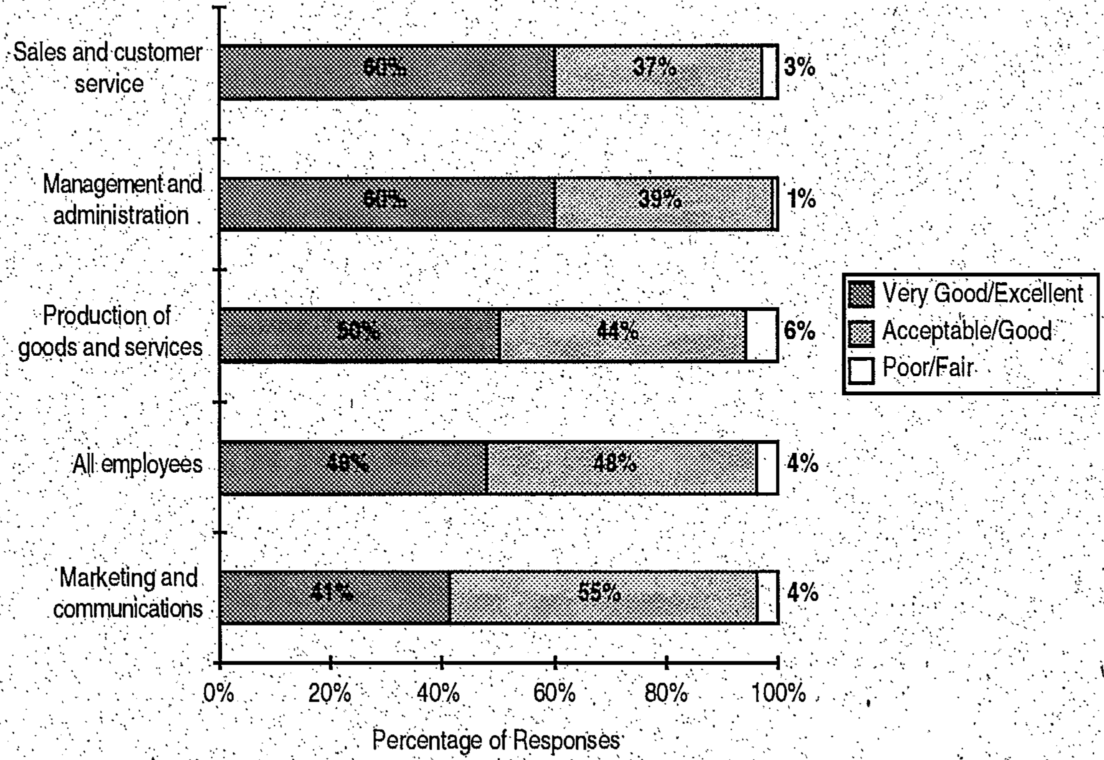
The most positive employee ratings for service delivery were given to employees working in management and administration and sales and customer service: 60% rated performance in these two areas as very good or excellent. Performance ratings were somewhat lower for employees in the production of goods and services and in marketing and communications: 50% and 41%, respectively rated performance in these two areas as very good or excellent.

Considering the performance of all employees at providing high quality service, 48% rated this as very good or excellent, 48% rated it as acceptable or good, and just 4% rated it as not acceptable. These results are presented in Table 6.6. These results about employee performance ratings were consistent across the different economic sectors and for both small and medium-sized firms.

6.5 Usefulness of Improvements to Customer Service

There are many types of improvements which respondents believed their companies could make to provide better service to their customers. These results are consistent with those for respondent satisfaction with the customer service of their companies, for which satisfaction levels, while positive, were not very high. Overall, based on a summary index of the 10 different types of improvements presented in Table 6.7, a majority of respondents (62%) indicated that service improvements would be very useful to their companies. Most of the rest (35%) said that service improvements would be moderately useful; only 3% said they would not be useful.

Table 6.6: Performance of Employees Providing Services

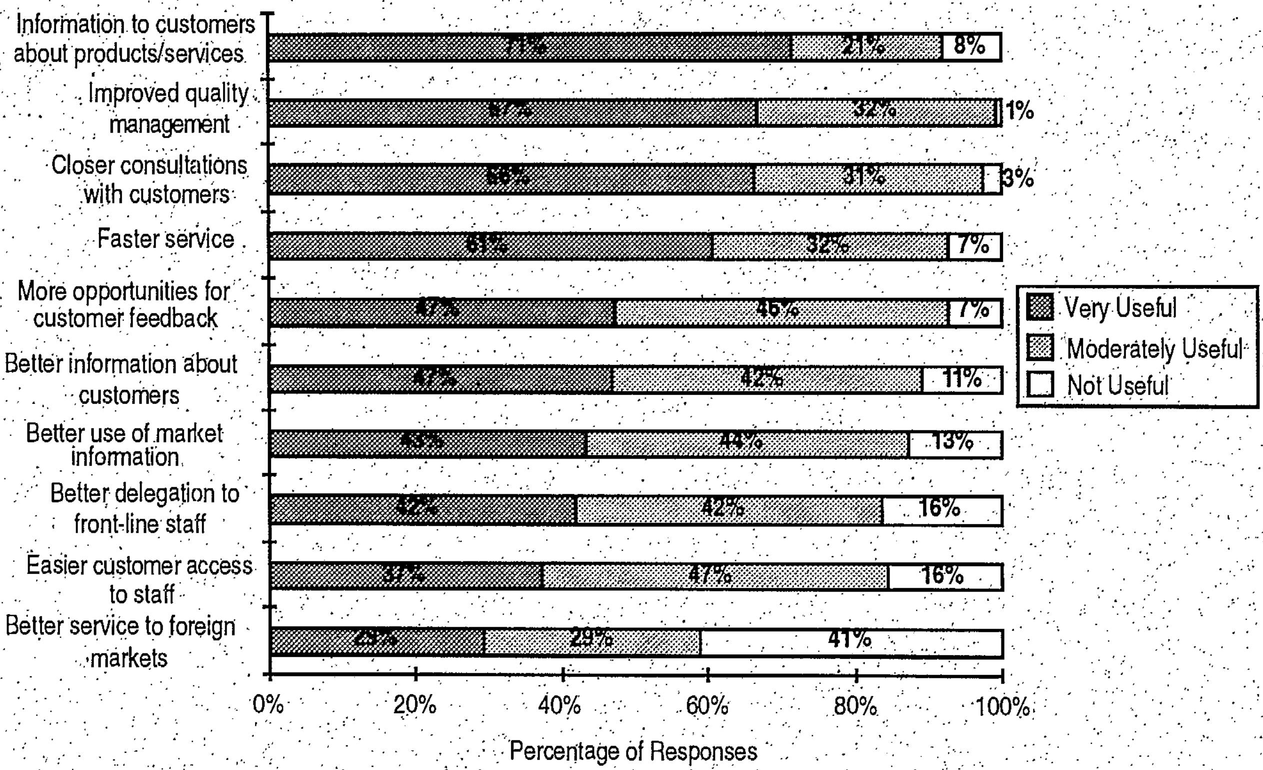


There were four types of improvements which respondents indicated would be very useful to their companies: improved quality management (67% said very useful), ***closer consultations with customers about their needs*** (66% said very useful), ***better information provided to customers about the company's products and services*** (71% said very useful), and ***faster service***

(61% said very useful). Almost all of the other service improvements reviewed also produced clear responses about their usefulness. Only one type of improvement—an improved capacity to service customers in foreign markets, which is not relevant to all firms—did not produce strong and positive results overall. These results are presented in Table 6.7.

Qualitative comments reinforced these findings: better communications with/availability to customers, faster service and better quality management were the most frequently mentioned desirable improvements. Some respondents also noted that better training and involvement of staff was needed in their organizations.

Table 6.7: Usefulness of Improvements to Customer Service Capabilities



Although an improved capacity to service customers in foreign markets was not rated as very useful overall, manufacturers rated this improvement as more useful than did respondents in other economic sectors.

Two types of improvements—faster service and providing better information to customers about company products and services—are more important to smaller firms than to medium-sized firms.

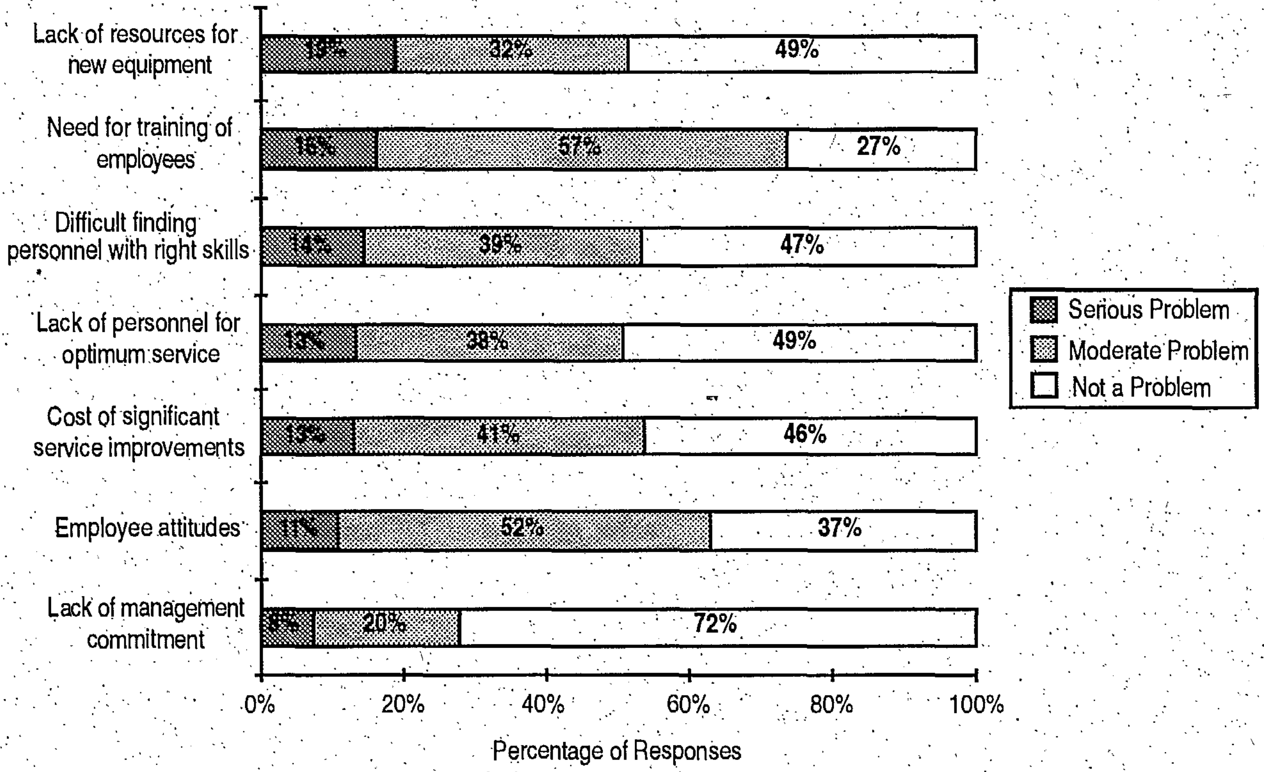
6.6 Barriers to Improving Service to Customers

Most respondents indicated that various problems which their companies might encounter in attempting to improve customer service present only moderately serious barriers. ***The costs of making service improvements and the lack of resources for new service-related equipment or systems were noted as the most significant barriers.*** Over half (54%) of respondents rated the costs of making service improvements as at least a moderate problem, including 13% who considered it a serious problem. Similarly, a lack of resources for new equipment and systems needed to improve customer service was rated as at least a moderate problem by 51% of respondents, including 19% who considered it to be a serious problem. Resource constraints were also the barrier mentioned most frequently in qualitative responses.

A lack of personnel, including finding personnel with the right service skills, is also a moderately serious barrier to making customer service improvements: 53% rated the difficulty finding customer service personnel with the right skills as at least a moderate problem; 51% rated the lack of personnel to provide the optimum level of service as at least a moderate problem.

Other problems, including employee attitudes, employee training, and management commitment, present less significant barriers to improving customer service. These results are presented in Table 6.8.

Table 6.8: Barriers to Improving Companies' Customer Service



7.0 Human Resource Needs and Work Opportunities for Qualified Young Professionals

In each of the three surveys, respondents were asked about their companies' short-term needs for young people with skills in the fields dealt with in the respective surveys: i.e., computer applications, new market development and customer service. Short-term needs were defined as being in the next six months. Section 7.1 presents these findings. Respondents were also asked about the opportunities for highly qualified young professionals to find work in their companies (Section 7.2) and their views regarding the expected payoff to their companies from hiring young people in technical and professional positions (Section 7.3).

7.1 Short-Term Human Resource and Skill Needs of Employers

A majority of employers were positive about the value which young professionals could bring to their companies in the short term. Most employers indicated that young professionals would be useful to work for their companies on specific tasks even within the next six months. Their opinions about the value of hiring young professionals are particularly positive when viewed in the light of previous research which shows that most employers believe it takes at least six months for new hires to become fully functioning in new positions.

In general, respondents reported that their companies have moderate short-term needs for better skills in the targeted business activities. While the skill needs of the average SME employer are "moderate", the results also indicate that a large number of employers have greater needs for better skills in these critical areas. These results are consistent with the findings presented previously in this report which show that a substantial number of SME employers are only moderately satisfied with their current levels of skills in the areas reviewed, indicating that there is significant room for improvement in many companies.

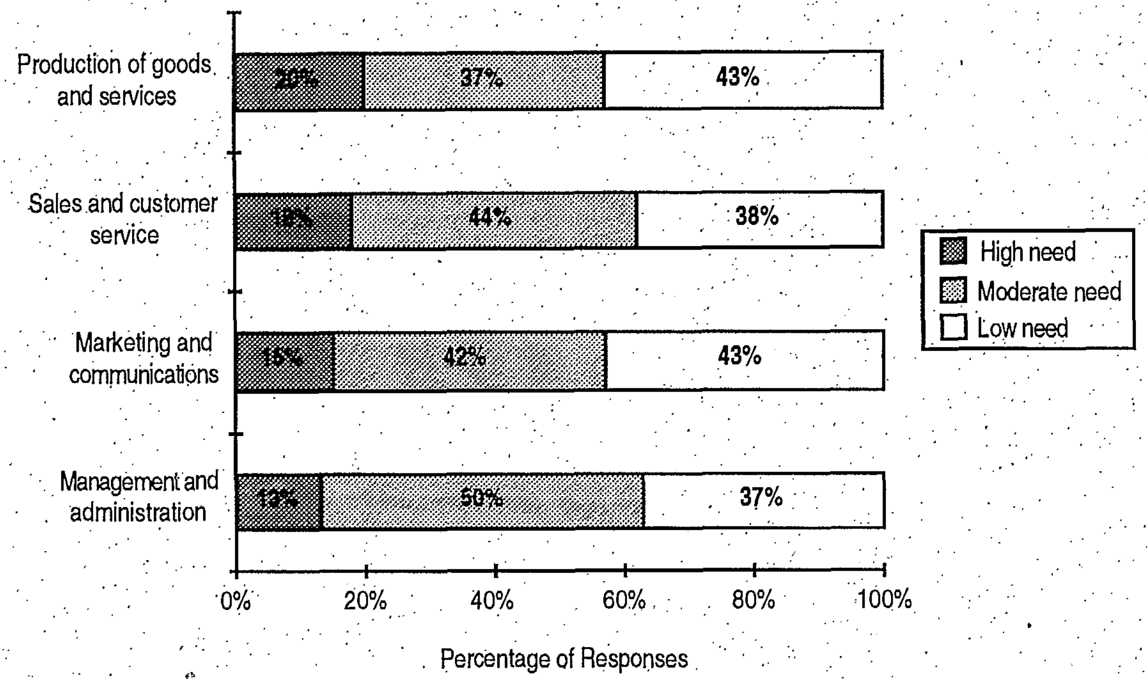
Most significantly, companies which indicated a greater need for improved skills in specific areas were also much more likely to report that there are job opportunities for young people in these areas.

7.1.1 Computer Skills

A majority of respondents believe that young people and the computer skills which they could bring could have a positive impact on their companies in the short term. Overall, about one in six employers indicated that their companies have high short-term needs for better computer skills (with high needs defined as scores of 6 or 7 on the 7-point scales). Most of the rest (between 40% and 50%) indicated that their companies have moderate needs for better computer skills (with moderate needs defined as scores of 4 or 5 on the 7-point scales). Relatively few companies were thought to have little need for better computer skills. Employer responses were similar for the four specific skills areas reviewed. These results are presented in Table 7.1.

Companies in the manufacturing and construction sectors expressed the greatest need for computer skills for the production of goods and services (33% and 29%, respectively, indicated a high need). Medium-sized companies were more likely to express at least a moderate need for better computer skills for management and administration (75%) compared to smaller companies (61%).

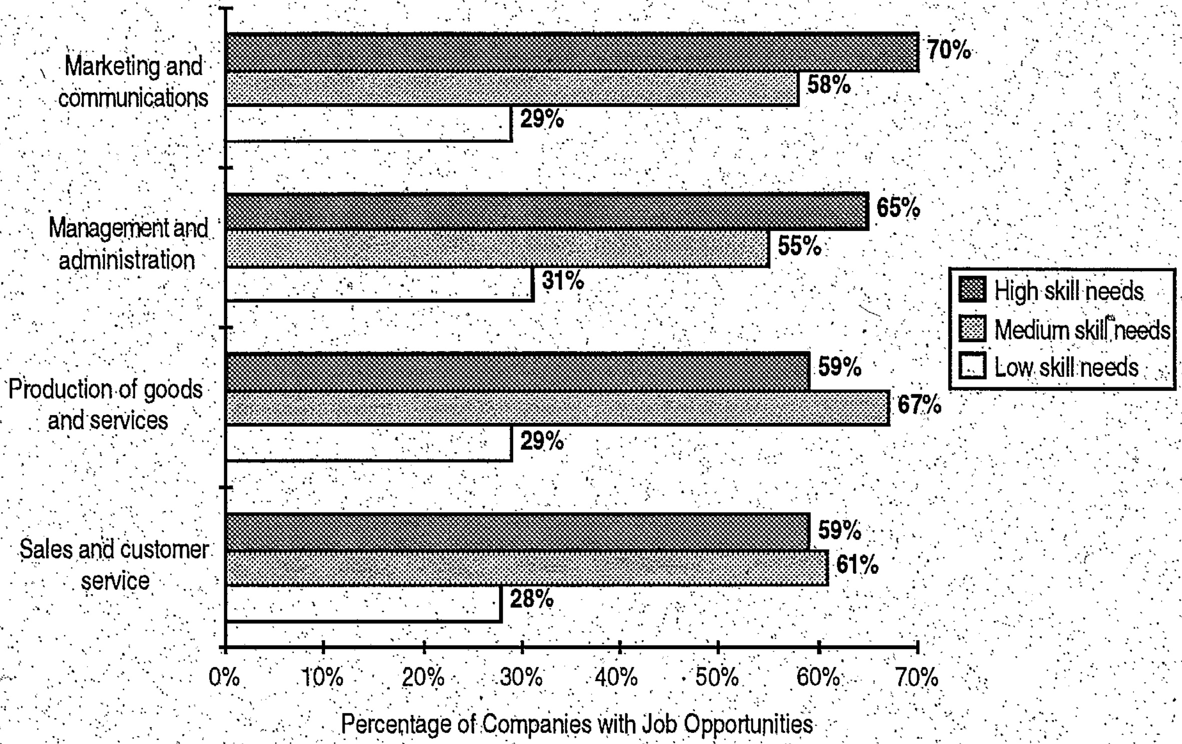
Table 7.1: Short-Term Needs for Computer Skills



Companies which indicated a high need for better computer skills in these four areas were much more likely to report that there are job opportunities for young people in these areas. For example, for management and administration skills, 65% of the companies with a high need for skills indicated there are at least some job opportunities for young people in this area. For companies with little need in this area, only 31% said there are job opportunities for young people. For marketing and communications, 70% of companies reporting a high need for skills said there are job opportunities for young people in this area, compared to just 29% of companies reporting little need for these skills. These results are presented in Table 7.2 following.

> ***"The communications highway is key to success in the 21st century. Computer training and practical applications with flexibility are critical." (Comments from a small firm in the services sector.)***

Table 7.2: Percentage of Companies with Job Opportunities for Qualified Young People: By Need for Computer Skills

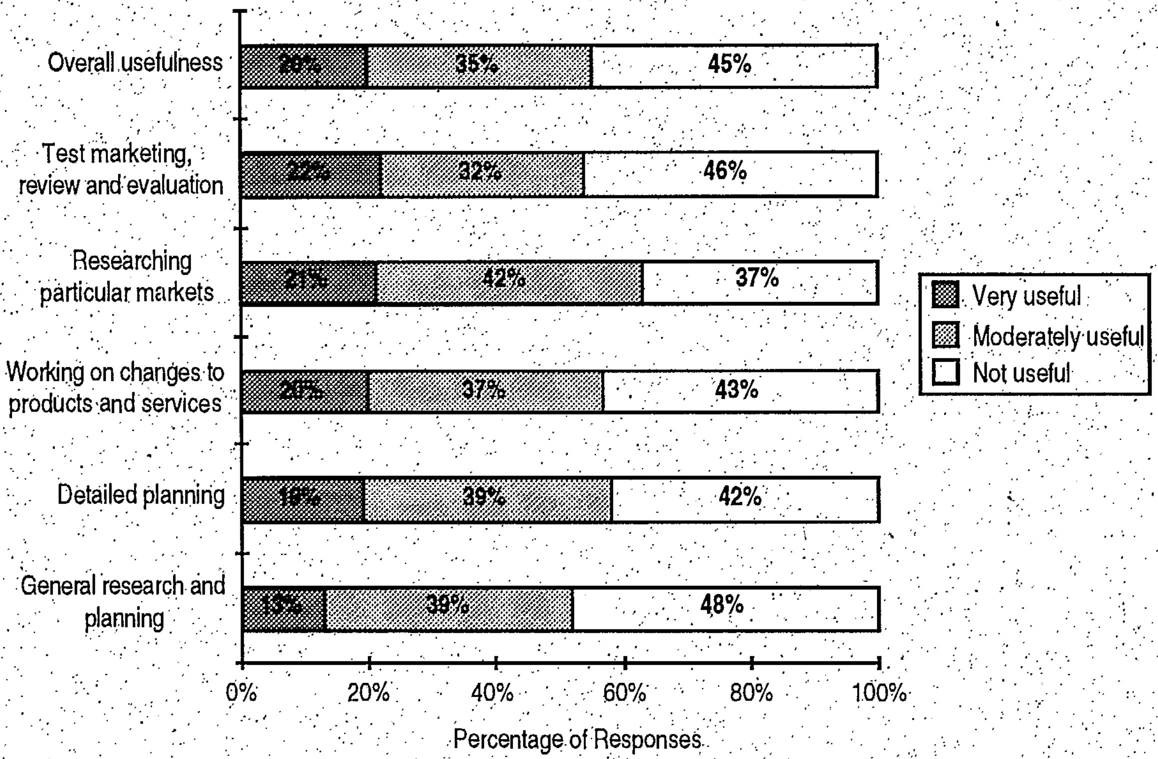


7.1.2 New Market Development

When asked directly about the usefulness in the short-term of hiring young professionals for six months to work on tasks related to new market development, ***a majority of employers indicated that young people would be useful to their companies***. On average, about 60% of employers believe that young professionals could be at least moderately useful in the short-term for each of the five market development tasks reviewed; about 20% believe they could be very useful.

Respondents reported that young professionals would be most useful to work on researching particular markets: 21% said young professionals would be very useful to their companies in the short term and 42% said they would be moderately useful. Employers were similarly positive about the value of hiring young professionals to work in other areas: general research and planning (52%); working on changes to products, services or production processes for new markets (57%); detailed planning such as promotional plans, logistics, pricing and payment systems, financing and insurance (58%); and test-marketing and evaluation (54%). These results are presented in Table 7.3.

Table 7.3: Usefulness of Young Professionals for Six Month Terms to Work on New Market Development



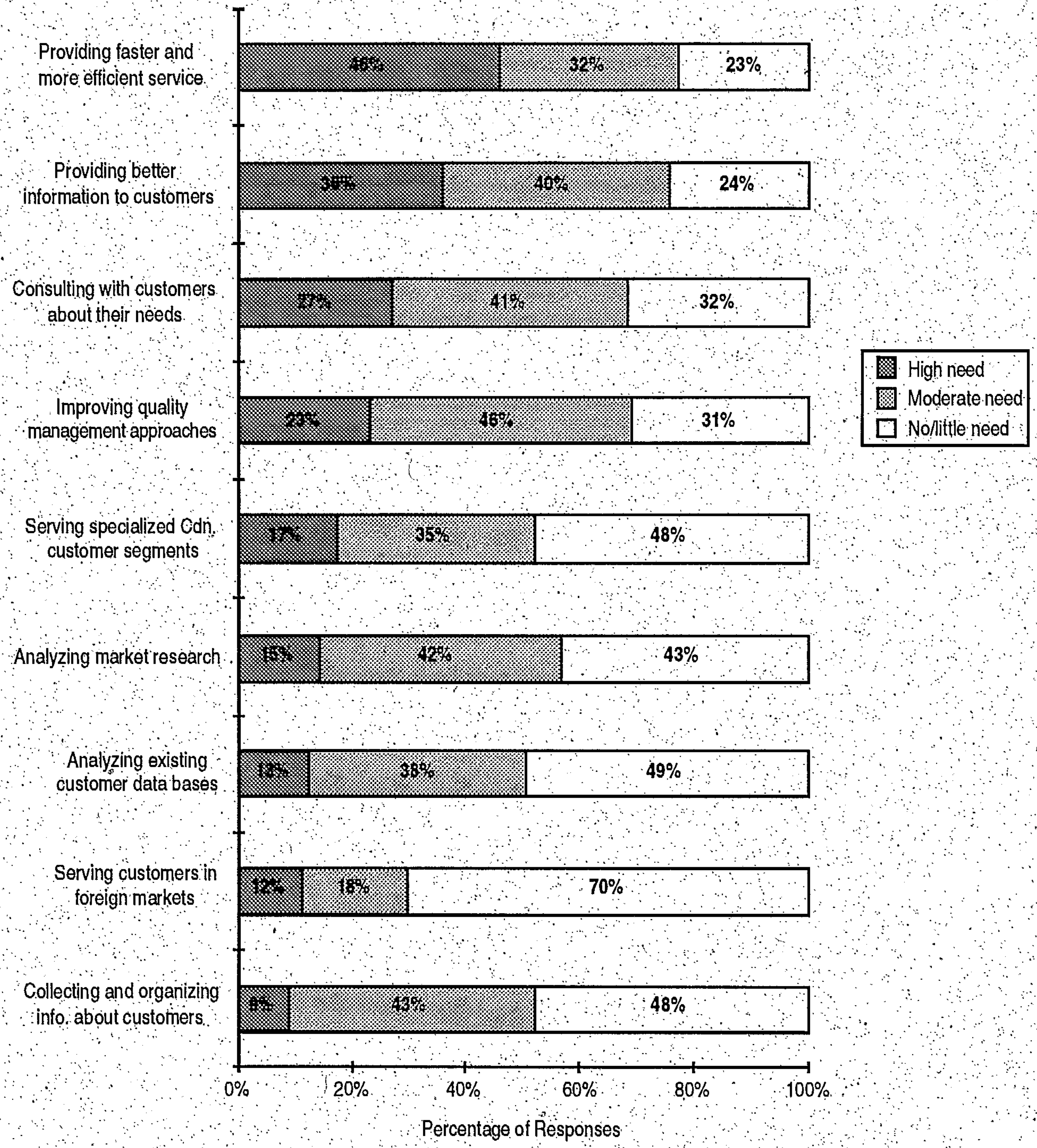
7.1.3 Customer Service

Improving service to customers is a high priority for most SMEs, and some of their highest human resource priorities are for better skills in service-related activities. Providing faster and more efficient service to customers, providing better information to customers about their products and services, consulting with customers about how their products and services can better meet their needs, and improving quality management approaches and procedures are four areas in which employers reported high short-term needs for better skills. For these four activities, about three-quarters of employers indicated that their need for better skills in the short-term is high, including about one-quarter who said their skill needs are very high. These results are presented in Table 7.4.

Two activities—improving quality management approaches and serving customers in foreign markets—were rated as much greater needs by employers in the manufacturing and service sectors. For improving quality management approaches, 81% of employers in the manufacturing sector and 86% of employers in the service sector reported that they had at least a moderate need for better skills in the short-term; 37% and 43%, respectively, indicated that they had a high need for better skills for this task.

For serving customers in foreign markets, 39% of employers in the manufacturing sector and 57% in the service sector reported that they had at least a moderate need for better skills in the short-term; 18% and 14%, respectively, indicated that they had a high need for better skills.

Table 7.4: Short-Term Skill Needs for Service-Related Activities

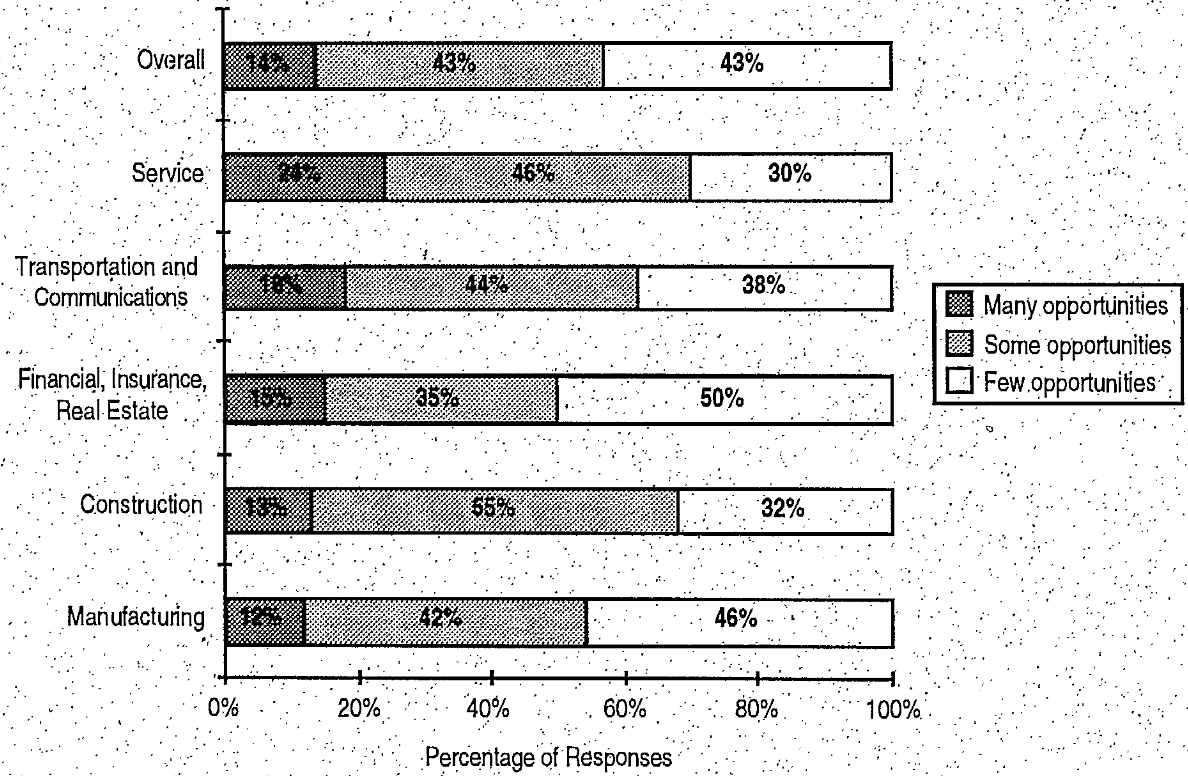


7.2 Job Opportunities for Qualified Young Professionals in Targeted Business Activities

Employers are cautiously optimistic about the job opportunities for highly qualified young professionals in their companies. A majority of all employers (57%) indicated that there are at least some opportunities for young professionals. About one employer in seven (14%) reported that there are many job opportunities (6 or 7 on the 7-point scale) for young professionals to work in computer, new market development or service-related jobs.

A majority of employers in all five economic sectors indicated that there are some opportunities for highly qualified young professionals in their companies. Employers in the service sector were especially positive about their job opportunities for young people: 70% said there are at least some opportunities, including 24% who said there are many opportunities. These results are shown in Table 7.5 below.

Table 7.5: Job Opportunities for Highly Qualified Young People in Respondents' Companies: By Economic Sector

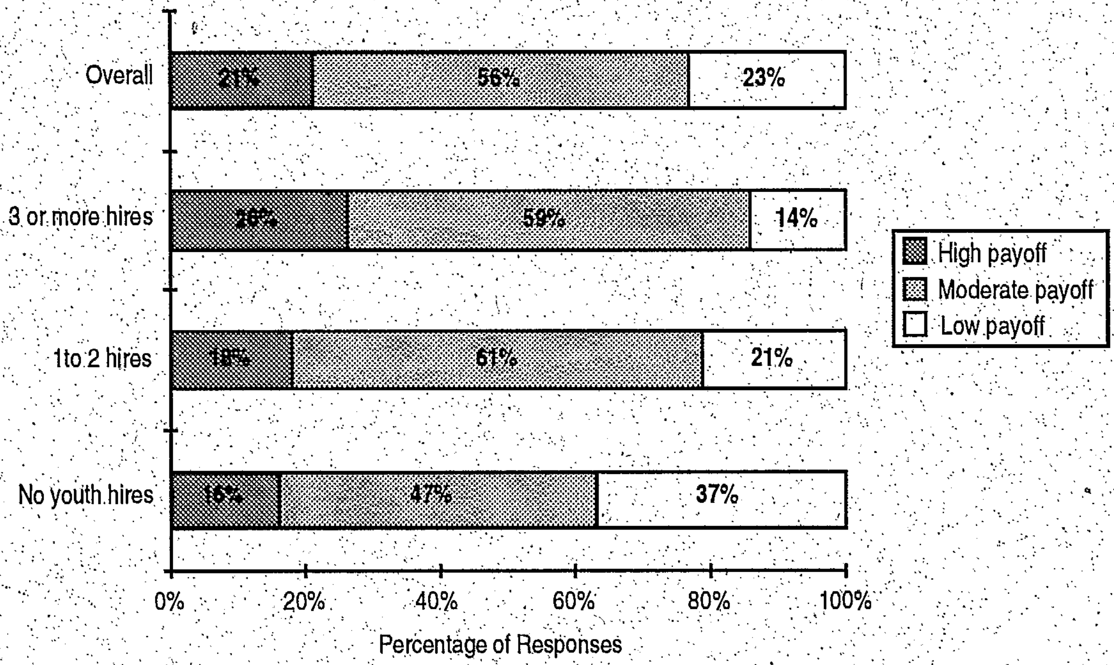


7.3 Expected Payoff from Hiring Young Workers for Professional and Technical Positions

Employers are generally positive about the benefits their companies receive from hiring young workers in professional or technical positions. Over three-quarters (77%) of the respondents indicated that their companies receive at least a moderate payoff from hiring young workers in these positions (a rating of 4 or higher on the 7-point scale); almost one-quarter (21%) said that their companies receive a high payoff from hiring these young people.

> ***"We are constantly looking for bright, ambitious people who want to create a long-lasting job in our company."***
> ***(Comment from a small manufacturing firm)***

Table 7.6: Expected Payoff from Hiring Young Workers: By Number of New Youth Hires in the Last 12 Months



In general, the positive opinions about the benefits from hiring young professionals were consistent for different types of employers. Employers with medium-sized companies were slightly more likely than those in smaller companies to indicate that they receive a high payoff from hiring young workers in professional or technical positions: i.e., 26% compared to 20%.

Employers rated the benefits from hiring young workers in professional or technical positions more positively than the job opportunities for young people in their firms.

The average score on the 7-point scale for the payoff from hiring young professionals is 4.3, compared to an average score of 3.7 for the number of job opportunities for young people in their companies. This difference reinforces the results which show that employers identify the lack of job opportunities as a serious barrier facing the entry of young professionals into the labour force: i.e., ***the skills of young people and the payoff from hiring them exceed the jobs available.***

> ***"I feel there is a large opportunity for skilled young professionals who are eager to learn. The key is eager—and individuals who can adapt to a continually changing work environment. I have a lot of faith in job experience programs. One area we find lacking is individuals with practical, hands-on experience or knowledge."***
> ***(Comments from a medium-sized manufacturing firm.)***

Not surprisingly, employers who were positive about the payoff from hiring young professionals were also more likely to say that there are job opportunities for them in their firms. Eighty percent of respondents who said their companies receive a high payoff from hiring young professionals also said that there are at least some job opportunities for them, including 32% who said there are many job opportunities. For respondents who said they receive a low payoff from hiring young professionals, only 32% said there are some job opportunities, including just 8% who said there are many job opportunities.

In qualitative comments, a number of employers expressed concerns about the challenges faced by qualified young professionals in today's work environment.

> *"Que ce soit des jeunes ou des moins jeunes, le système éducatif n'est pas beaucoup à l'écoute du secteur privé et ses besoins. Ceux qui sortent de l'école et qui n'ont pas d'expérience ont beaucoup de difficulté à s'ajuster car ils connaissent comment faire mais ne comprennent pas les imprévu--ce qu'ils n'ont pas vu." (Comments from a small manufacturing firm.)*
>
> *"Industry simply doesn't have the profit margins of years gone by that allowed the nurturing and training of our youth." (Comments from a small transportation firm.)*
>
> *"Il n'y a aucune possibilité d'embauche auprès des jeunes dans mon domaine. C'est très malheureux car ce n'est pas de notre faute mais bien du domaine de la construction." (Comments from a small construction firm.)*
>
> *"The problem of providing employment opportunities to young educated people is very complex. Technology is changing so fast it is difficult for young people to make educational choices entering college or university. Technology has produced very real increases in productivity, resulting in less people being required to do more. Most jobs are created in Canada by small businesses. Their ability to hire and train young job market entrants is limited. We have too many graduates from non-technical programs seeking employment in business. Previously, many of these graduates would have gone into teaching, law, etc. Today, there are very few new teaching positions available. New and innovative solutions are required, involving government, business and education, to provide opportunities for our youth." (Comments from a medium-sized manufacturing firm.)*

7.4 Barriers to Jobs for Young People

Respondents were asked about 10 specific problems that can present barriers to jobs for young people in their industry. Six of these possible barriers dealt with the skills and characteristics of the prospective young worker; four were potential problems from the perspective of the employer.

Of the 10 specific problems reviewed in the survey, five are rated as more serious barriers and five are rated as more moderate problems. The single most important problem in the opinion of SME employers, whether about the attributes and skills of young workers or from their perspective as employers, is the lack of practical work experience.

The five most significant barriers are as follows:

1. ***A lack of practical work experience:*** 82% of employers rated this as a problem; 41% rated it as a serious problem (scale mean is 4.89).
2. ***A lack of technical or specialized skills for the job:*** 77% rated this as a problem; 41% rated it as a serious problem (scale mean is 4.74).
3. ***Unrealistic expectations about their value on the job market:*** 80% rated this as a problem; 34% rated it as a serious problem (scale mean is 4.70).
4. ***A lack of good job opportunities for young people:*** 77% rated this as a problem; 34% rated it as a serious problem (scale mean is 4.62).
5. ***The costs of hiring, supervising and training new employees:*** 76% rated this as a problem; 28% rated it as a serious problem (scale mean is 4.43).

The five less serious barriers are as follows:

6. The lack of job opportunities for qualified young professionals in the respondents' industry: 73% rated this as a problem; 30% rated it as a serious problem (scale mean is 4.40).
7. The costs of salaries and benefits for new employees: 71% rated this as a problem; 27% rated it as a serious problem (scale mean is 4.33).
8. A lack of enthusiasm and commitment of young people to their work: 62% rated this as a problem; 30% rated it as a serious problem (scale mean is 4.13).
9. Changing human resource practices: 67% rated this as a problem; 27% rated it as a serious problem (scale mean is 4.05).
10. A lack of general skills such as language, mathematics and communications: 63% rated this as a problem; 22% rated it as a serious problem (scale mean is 3.95).

The barriers reflected in these 10 specific problems can be distilled empirically[1] into four key factors. Overall, the lack of practical experience and skills is the most serious problem (based on a scale of the two questions dealing with a lack of practical work experience and a lack of specialized skills for the job).

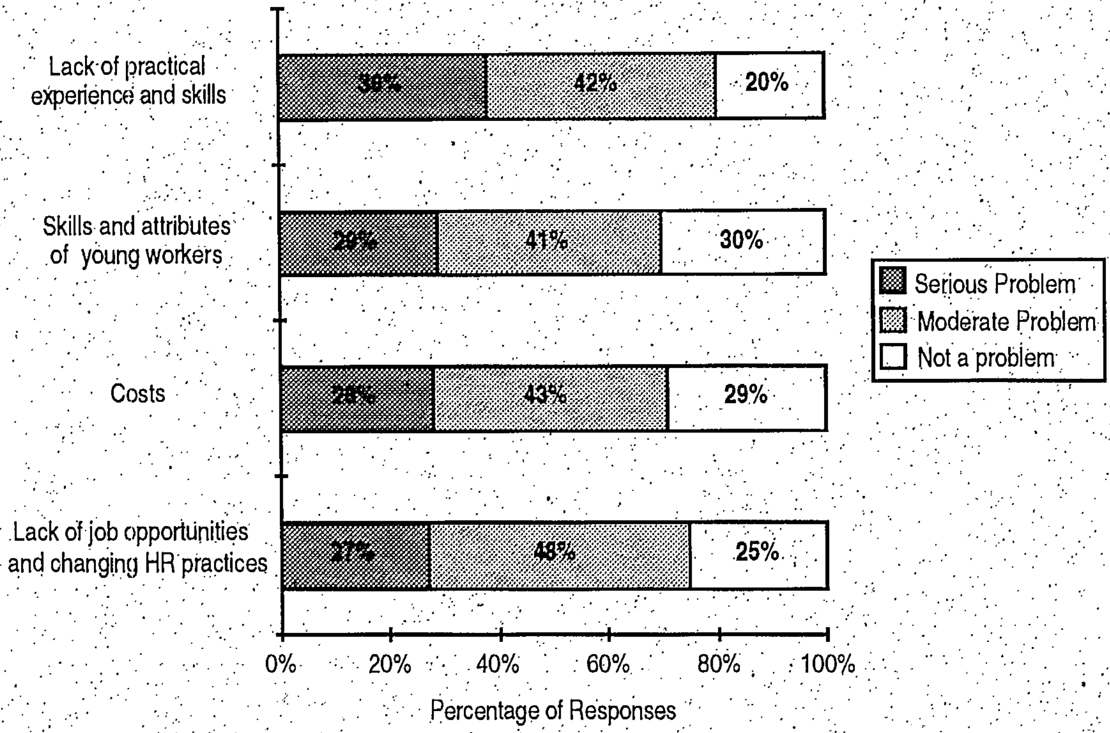
---

[1] The four barriers were identified through factor analysis of the 10 survey questions dealing with specific problems. The scales for the four common factors were computed as additive scales and tested for reliability using the Cronbach's alpha coefficient.

Employer rankings of the seriousness of these four barriers to jobs are as follows. These results are also presented in Table 7.7 below.

1. ***A lack of practical experience and skills:*** 80% rated this as a problem, including 38% who rated it as a serious problem (scale mean = 4.81).
2. ***Costs*** (the costs of hiring, training, supervising, salaries and benefits for new workers): 70% rated this as a problem, including 28% who rated it as a serious problem (scale mean = 4.38).
3. ***The lack of job opportunities*** (both in general and in respondents' industries): 75% rated this as a problem, including 27% who rated it as a serious problem (scale mean = 4.34).
4. ***The skills and attributes of young workers*** (lack of general skills, enthusiasm and commitment to their work, unrealistic expectations about their value in the job market): 70% rated this as a problem, including 29% who rated it as a serious problem (scale mean = 4.28).

Table 7.7: Barriers to Jobs for Young People



There were some important differences in the ratings of different barriers by employers with small (20 - 250 employees) and medium companies (251 - 500 employees). In general, smaller companies find the different barriers to be more serious, with the exception of the lack of jobs, which is a more serious problem for medium-sized companies.

Following are some details of these differences.

- ***Smaller companies were more likely to rate the skills and attributes of young workers (i.e., lack of general skills, enthusiasm and commitment to their work, unrealistic expectations about their value in the job market) as a barrier.*** The average score on the summary measure for smaller companies is 4.4 compared to 3.9 for medium companies. In percentage terms, 74% of smaller companies rated this as at least a moderate problem compared to 55% of medium companies; 31% and 22%, respectively, rated this as a serious problem.
- ***Smaller companies were much more likely to be concerned about costs as a barrier.*** The average score on the summary measure for smaller companies is 4.5 compared to 3.9 for medium companies. In percentage terms, 75% of smaller companies rated this as at least a moderate problem compared to 53% of medium companies; 30% and 20%, respectively, rated costs as a serious problem.
- ***Medium companies were more likely to rate the lack of job opportunities and changing human resource practices as barriers.*** The average score on the summary measure for medium companies is 4.7 compared to 4.3 for smaller companies. In percentage terms, 70% of smaller companies rated this as at least a moderate problem compared to 74% of medium companies; 42% and 23%, respectively, rated the lack of jobs as a serious problem.

Ratings of the different barriers do not vary by economic sector. The lack of jobs in the construction sector is one notable exception.

Interest in a work experience program for young professionals (discussed in Chapter 8) is positively related to three of the summary indices of job barriers for young people: i.e., a lack of practical experience and skills, the skills and attributes of young workers, and costs. (Interest in a work experience program was not related to the perception of a lack of jobs as a barrier to young people.) In other words, employers with a greater interest in participating in a work experience program are generally the ones who perceive higher job barriers for youth.

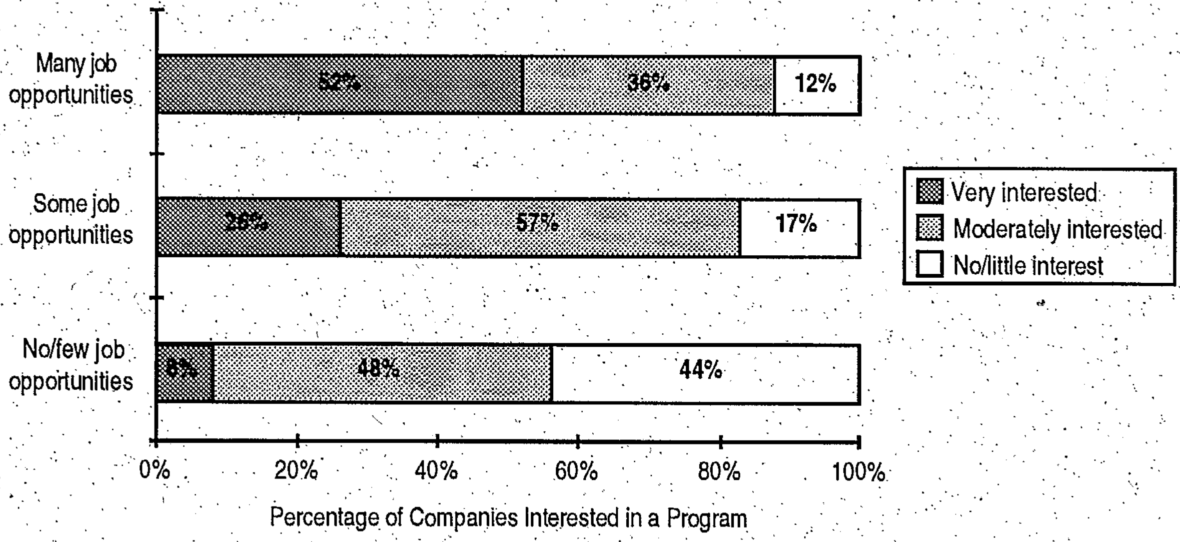
8.0 Support for a Work Experience Program for Young Professionals

8.1 Interest in Participating in a Work Experience Program

SME interest in participating in a program to provide work experience for young professionals is quite strong among employers in all economic sectors, and among both medium-sized and smaller firms. Overall, 72% of respondents indicated that they are interested in such a program, including 22% who said they are very interested.

Most important is the finding that respondents with companies with job opportunities for qualified young professionals are the ones who are most interested in a work experience program. Among companies with many job opportunities, 88% of respondents are also interested in a work experience program, including 52% who are very interested. These findings are presented in Table 8.1.

Table 8.1: Interest in a Work Experience Program: By the Job Opportunities for Youth in the Company



> ***"I support any effort in developing young professionals. I caution administrators of the program that private companies don't have a lot of dollars to fund these programs in today's economic conditions." (Comments from a small construction firm.)***

8.2 Opinions About the Characteristics of a Work Experience Program

All respondents were asked a common set of questions about their opinions on the desired characteristics of a work experience program for highly qualified young professionals. Nine possible program characteristics were reviewed in total, with respondents being asked to indicate whether they considered each to be a positive or negative feature of a program.

Five program characteristics stand out as the ones viewed most positively by SME employers. A majority of employers viewed each of these five characteristics positively:

- a program which provides practical work experience to young professionals;
- the employer pays no salary but pays for program administration;
- the program is led by the private sector and supported financially by the public sector;
- UI dollars are used to fund work placements; and,
- there is an emphasis on high-skill jobs.

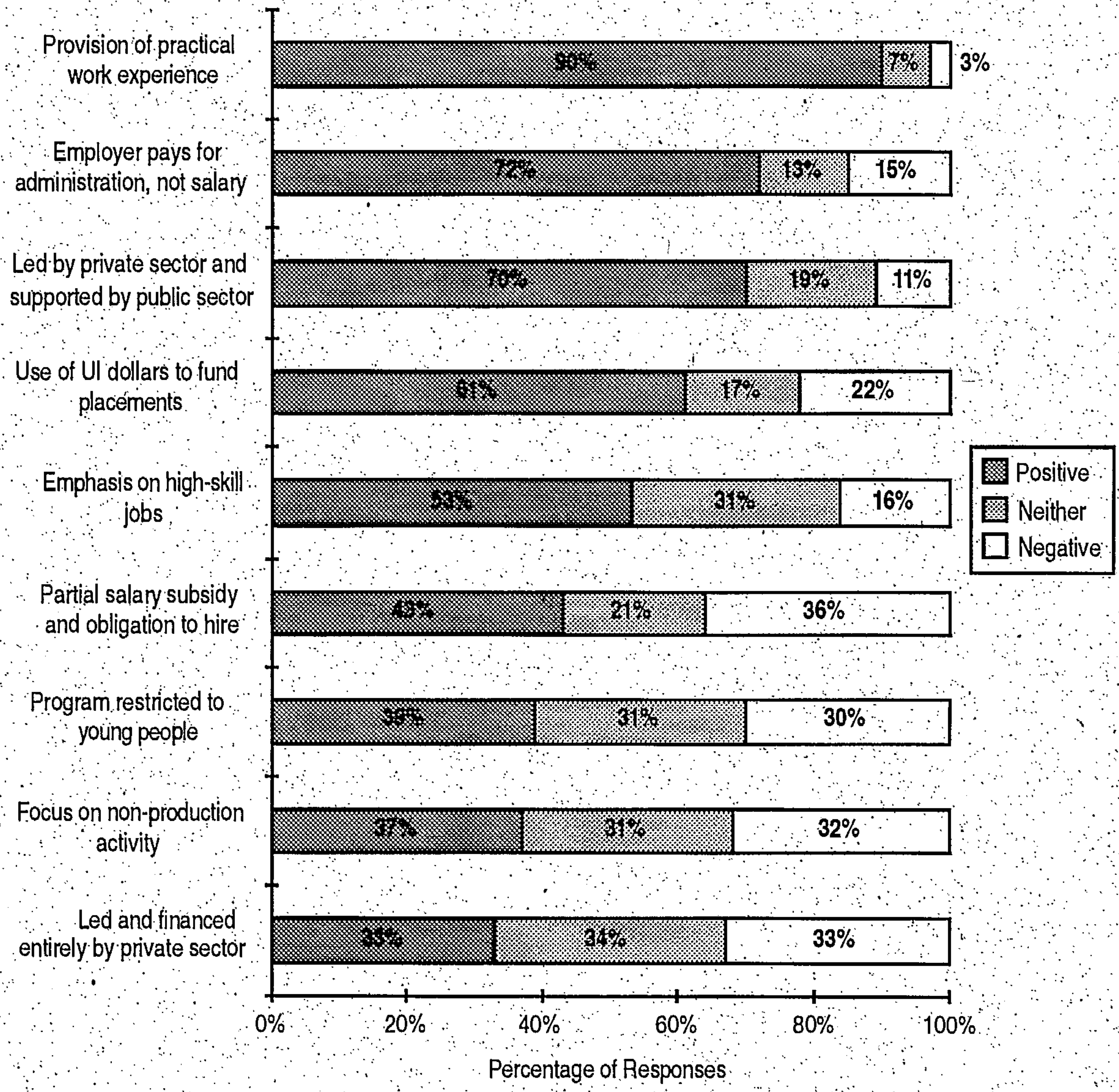
For employers, provision of practical work experience to young professionals is by far the single most important characteristic of a work experience program: 90% viewed this feature positively, including 50% who viewed it very positively. The proportion of employers who rated the other four of these "favoured" characteristics as positive varies from 72% (for the employer paying no salary but paying for program administration) to 53% (for an emphasis on high-skill jobs). These findings are presented in Table 8.2.

Program characteristics viewed less favourably are as follows. Fewer than half of employers viewed these four characteristics positively:

- a partial salary subsidy, linked to an obligation to hire the workers at the end of the work term;
- the program is restricted to young people;
- the program is led and financed entirely by the private sector; and,
- a focus on non-production activity: i.e., work that might not otherwise get done.

> ***"Training young professionals subsidized by private/public funds is the way to go. Young people need actual experience within an office/work environment. This experience is invaluable to them, and by subsidizing this venture it allows organizations to provide them with experience." (Comments from a small firm in the financial, insurance and real estate sector.)***

Table 8.2: Opinions About the Characteristics of a Work Experience Program



In qualitative comments, several respondents noted that an obligation to hire an employment program worker at the end of the work term would be a deterrent.

> *"No obligation to hire after work term, otherwise many may not take the risk if they know they have to keep individual." (Comments from a medium-sized manufacturing firm.)*
>
> *"Should not be obligated to hire--may not be satisfactory. Degree of skill needed but do not limit to high skill. Must suit employee to employer needs." (Comments from a small services firm.)*
>
> *"The obligation to hire would take the needed pressure off the individual to make a place for themselves in the company." (Comment from a small manufacturing firm.)*
>
> *"Some parts of industry require 1-2 years experience/exposure by an already educated person to become productive. An employment obligation after 6 months to 1 year would work against the program. Would recommend a 50% subsidy for up to 1 year, no obligation to hire but progress report at 6 months.". (Comments from a medium-sized manufacturing firm.)*
>
> *"No employer is going to participate in a program that obligates them to hire an unknown." (Comment from a medium-sized firm in the financial, insurance and real estate sector.)*

Respondents who are interested in participating in a work experience program for young professionals were more likely to be positive about eight out of nine of these program characteristics— every one except a program led and financed entirely by the private sector (responses were similar to this item whether the respondent was interested in participating in a program or not). The rankings of the different characteristics presented in Table 8.2 were similar, however, whether the respondent was interested in a program or not. For example, among those respondents indicating they were very interested in participating in a work experience program, positive attitudes about the top five program characteristics ranged from 65% (emphasis on high-skill jobs) to 97% (provision of practical work experience). For the other four program characteristics, about half of those very interested in a work experience program were positive.

Following are some other findings about employer opinions about a work experience program for highly qualified young professionals.

- ♦ Respondents who believe that their companies have received a higher payoff from hiring young professionals are somewhat more likely to be positive about
  - a program led by the private sector and supported by the public sector;
  - the provision of practical work experience; and
  - an emphasis on high-skill jobs.

- Smaller firms were somewhat more positive than medium-sized firms about
    - a partial salary subsidy linked to an obligation to hire; and,
    - a program led and financed entirely by the private sector.
- Firms in the construction and manufacturing sectors were somewhat more positive about a partial salary subsidy linked to an obligation to hire.
- Firms in the construction and financial, insurance and real estate sectors were somewhat more positive about a program led and financed entirely by the private sector.
- Firms that have hired more young people in the previous year were somewhat more likely to be positive about
    - a program led and financed entirely by the private sector;
    - a focus on non-production activity; and,
    - an emphasis on high-skill jobs.

In qualitative comments, a number of respondents suggested other program configurations or characteristics that would be useful in their industries.

Overall Design

> *"The hiring company must have some $ at stake, and has to give evidence of the job giving the young professional the opportunity to grow. The young professional should not be misused." (Comment from a medium-sized manufacturing firm.)*
>
> *"It has to be conceived and managed at the local industry level. There must be real jobs available at the end of the day." (Comment from a medium-sized services firm.)*
>
> *"Please keep whatever program is set up simple." (Comment from a small manufacturing firm.)*
>
> *"Appears to be a worthwhile effort if it helps target companies (particularly small business) who cannot afford, but can definitely use, young workers to supplement or initiate efforts they have no time for. An example in construction would be marketing." (Comments from a small construction firm.)*

Nature of Jobs

> *"a) Making certain the worker fits (and sees a future) in the industry into which that person is being fitted. b) Making certain of the "stream" i.e., in construction, blue-collar field work vs white-collar estimating/project management/marketing." (Comments from a small construction company.)*
>
> *"What about provisions for part-time or specific job contract work?" (Comment from a medium-sized manufacturing firm.)*

"The work must be meaningful in that the placements need to be for long-term full-time jobs. Many of these require a computer background." (Comment from a small firm in the financial, insurance and real estate sector.)

Length of Work Term

"The term should be long enough, i.e., 6 months to 1 year, in order to provide them with real experiences--3 to 6 months is not long enough to obtain this level of experience." (Comment from a small firm in the financial, insurance and real estate sector.)

"Time limit 3 months or less if government funded. Funding beyond three months creates obligation for employer to hire worker for minimum of one year." (Comment from a small manufacturing firm.)

"Six months is not enough time to learn the business cycle of many businesses." (Comment from a small manufacturing firm.)

"Six months is not long enough to evaluate any employee or for the employee to gain much experience." (Comment from a small manufacturing firm.)

"Computer skills are essential to anyone who hopes to be employed in our industry. If you can match a young person with the right skills to a program without strings, then subsidize that person's costs to a company for a minimum of one year, preferably longer, then by the end of that time the person in a majority of cases should be indispensable, productive and a valuable asset." (Comment from a small manufacturing firm.)

"Le secteur public doit bâtir ses programmes en fonction des besoins des entreprises. Les stages sont primodiaux, et pas des stages de 2 semaines, mais plûtot de 4 mois et plus." (Comment from a small manufacturing firm.)

Target Group

"In today's market, young is not necessarily always attractive if hiring. Stability is more important." (Comments from a small firm in the transportation and communications sector.)

"Je me demande pourquoi limiter le programme aux jeunes professionnels. Il y a toute cette catégorie de chômeurs hyper-qualifié qui ont des problèmes à se trouver du travail." (Comments from a small manufacturing firm.)

"We would prefer programs to train and upgrade existing staff." (Comment from a small firm in the financial, insurance and real estate sector.)

Administration

"A flexible program will lead to the most successful results. Over-complication and administration will mean that most businesses will dismiss any program immediately." (Comments from a small manufacturing firm.)

"Administration paperwork required to participate in the program should be kept to a minimum so as not to discourage companies from participating." (Comment from a small firm in the financial, insurance and real estate sector.)

"Suivi après deux mois ou trois mois afin de voir si tout va bien ou non sinon que le candidat puisse avoir le temps de s'ajuster avec l'aide d'un intervenant et ainsi garder son emploi." (Comments from a small manufacturing firm.)

"Faciliter les démarches administratives. Aider à la formation. L'entreprise a peu de temps pour les feedback." (Comments from a small company in the services sector.)

Challenges

"Our company has a wide variation in number of employees (15-20 during summer and fall to 5 in winter). It is very difficult to create a position under these circumstances." (Comments from a small construction firm.)

"Due to fluctuation of work, no employment guarantees can be made." (Comment from a small construction firm.)

"Training time and cost involved by the private sector in this type of program. With the ongoing streamlining being done by the private sector, it's difficult to provide the resources for this purpose." (Comments from a medium-sized services organization.)

"Where organizations are in a downsizing mode and employees feel overworked, giving a young professional to a supervisor is increasing the workload of the supervisor in the short term, as the individual has to be trained. It takes time to train someone." (Comment from a medium-sized pipeline company).

"Managing and training place a time demand on management. Salary is but one cost." (Comments from a medium-sized firm in the services sector.)

9.0 Implications for Work Experience Programs

The needs assessment provided a number of insights into the business priorities of SMEs and senior managers' perceptions of the contributions that could be made by young professionals. Among other findings, the research confirmed that

- SMEs are particularly interested in improving their capabilities in three broad areas: computer applications, new market development and customer service;
- SME executives believe that the most serious problem facing young people seeking work is the lack of practical work experience, and they believe that, given the opportunity, young professionals can make a positive contribution to their companies; and
- a majority of SMEs are interested in participating in a work experience program for young professionals, and this interest is correlated with the availability of work opportunities for young professionals.

These findings have interesting implications for work experience programs for young professionals. As a co-sponsor of the needs assessment, the Alliance is interested in applying the results of this research to its own work experience program, ON-SITE.

Although ON-SITE is not aimed specifically at SMEs, it has many of the characteristics which SME executives find attractive in a work experience program. The results of the needs assessment indicate a number of ways in which the program could be expanded and improved to further meet the needs of Canada's SMEs. The following activity streams appear to offer the best potential for such expansion:

- computer applications for management and administration:
  - financial management
  - general business management and administration
  - strategic business planning support
- export market development
- customer service.

These are all areas in which Industry Canada is interested in improving the sophistication and capabilities of SMEs. Although there is considerable SME interest in the other two areas investigated—computer applications for marketing and communications, and domestic market development—it would be more difficult to ensure that ON-SITE positions in these areas did not provide employers with an unfair competitive advantage vis-à-vis other Canadian employers. (Both these streams would involve improving market share, and a majority of the survey respondents indicated that they expected to face at least some domestic competition in attempting to expand their market share within Canada.)

Creating incremental, non-competitive positions would be considerably easier in the fields of computer applications for management and administration, export market development and customer service. Based on the survey results, positions in these areas could encompass the following.

9.1 Computer Applications for Management and Administration

Survey respondents indicated strong interest in improving their computer capabilities in a number of areas related to financial management, general business management and administration, and strategic business planning. SME executives see young people as a valuable source of up-to-date computer expertise.

Table 9.1 summarizes tasks that ON-SITE employees could fulfill in the various areas related to computer applications for management and administration, and indicates the general skill sets that would be required. Positions in these areas would not require formal computer science training so much as practical computer skills and aptitudes and up-to-date knowledge of available hardware and software options.

Table 9.1: Task Areas and Skill Sets Required: Computer Applications for Management and Administration

Tasks	Appropriate Skills/Educational Qualifications
A. **Financial Management** Cost management/control Accounting/bookkeeping Payroll Electronic Invoicing EDI with financial institutions Financial/tax planning	Strong practical computer skills plus: Bachelor of Commerce *or* Bachelor of Arts (Economics) *or* Community College Business certificate
B. **General Business Management and Administration** Productivity analysis Scheduling/planning/ project management EDI with suppliers and clients Inventory management and control Personnel/human resource management	Strong practical computer skills plus: Bachelor of Commerce *or* Bachelor of Arts *or* Bachelor of Science (Engineering) *or* Community College Business certificate
C. **Strategic Business Planning** Research into new markets Competitive intelligence Research to support specific business objectives	Strong practical computer skills plus: Bachelor of Arts *or* Bachelor of Science, Engineering (i.e., good research skills, internet research skills)

These new task areas offer opportunities for a range of graduates beyond the "traditional" ON-SITE candidate pool of engineering and science graduates. Implementing a new stream of Computer Applications for Business would enable a much greater range of unemployed young professionals to benefit from the experience and professional development provided through ON-SITE.

9.2 Export Market Development

An export market development stream has already been pilot-tested in ON-SITE, and the results of the needs assessment confirm the potential to substantially expand this stream. Table 9.2 summarizes tasks that ON-SITE employees could fulfill in these areas, and indicates the general skill sets that would be required.

Table 9.2: Task Areas and Skill Sets Required: Export Market Development

Tasks	Appropriate Skills/Educational Qualifications
Research into general characteristics of export markets Research into sales opportunities in specific markets Determining changes to products/processes Implementation and monitoring of export activity Follow-up with international clients	Bachelor of Commerce/Marketing *or* Bachelor of Arts (Political Science, Economics, International Studies) *or* Bachelor of Science, Engineering Specific language/cultural skills

Again, this stream offers opportunities to a wider base of candidates than do the "traditional" ON-SITE streams.

9.3 Customer Service

In the area of customer service, the survey respondents indicated that the following types of improvements would be very useful:

- improved quality management
- customer communications: outreach and feedback (i.e., closer consultation with customers about their needs; provision of better information to customers about the company's products and services)
- faster and more efficient service

Quality management is already a well-established ON-SITE program stream, and customer service aspects of quality management could be incorporated into this stream. Table 9.3 lists tasks that could be included in a new customer service stream and the types of skills/educational qualifications that would be required for such positions.

Table 9.3: Task Areas and Skill Sets Required: Customer Service

Tasks	Appropriate Skills/Educational Qualifications
Closer consultation with customers about their needs: Customer surveys One-on-one consultations Day-to-day liaison with key customers Analysis and development of customer feedback mechanisms	Bachelor of Commerce/Marketing or Bachelor of Arts/Social Sciences or Community College Business certificate or Bachelor of Science/Engineering (for technical consultations) Good communications and interpersonal skills
Provision of better information to customers Promotional materials Technical materials Internet Web sites	As above, plus good computer skills for Web site construction
Faster and more efficient service Analysis of service patterns and recommendation of improvements Assessment of software and hardware options (e.g., computers, telephone systems) for improving service speed and efficiency	As above

> **"Government cannot create permanent jobs. However, they can create a climate which encourages private enterprise to hire young skilled people. There has to be a partnership of government/education/business to get our youth working."**
> ***(Comments from a medium-sized manufacturing firm.)***

Appendix A

Annotated Questionnaire:

Part 1: Practical Computer Applications for Business

National Survey of Work Opportunities for Qualified Young Professionals

Part 1: Practical Computer Applications for Business

June 18, 1996

Dear Employer:

Industry Canada and Canadian Manufacturers' Association (CMA) are conducting a series of surveys of Canadian companies concerning work opportunities for qualified young professionals. The objectives of these surveys are to identify productive areas for youth employment and to find better ways to match young workers with high-skill opportunities in the private sector: for example, in junior professional, technical and management positions.

A current CMA initiative called ON-SITE/À LA SOURCE has been very successful at achieving this potential, placing more than 3,000 skilled young workers with satisfied employers. Industry Canada, CMA and other associations are now working to realize more of these opportunities for youth employment.

We are surveying Canadian employers to determine their views on opportunities for young professionals in the following areas:

1. Practical Computer Applications for Business
2. New Market Development and Exporting
3. Customer Service

You are one of a small number of Canadian employers selected to receive the survey on Practical Computer Applications for Business. We encourage you to take a few minutes to complete this questionnaire so that the study results will accurately represent the views of Canadian business. Of course, your participation is entirely voluntary. Please note that your responses will be kept completely confidential and that your answers will never be associated with your name or the name of your company. *If for some reason you are unable to complete the questionnaire yourself, we encourage you to pass it on to another appropriate contact in a senior management position within your organization.*

When you have completed the questionnaire, please mail it to us in the envelope provided. If you would like additional information about the survey, if you have any questions about completing the questionnaire, or if you would like to receive copies of either of the other two questionnaires, please telephone (collect) Ann Simpson or Kathy Deeg at Energy Pathways Inc. in Ottawa: (613) 235-7976. Thank you for your assistance.

Peter Sagar
Director General
Entrepreneurship and Small Business Office

Industry Canada Industrie Canada

Stephen Van Houten
President

Canadian Manufacturers' Association
Association des manufacturiers canadiens

Background on the ON-SITE Approach to Work Opportunities for Youth

Canadian Manufacturers' Association's ON-SITE/À LA SOURCE program is an innovative industry-government partnership that has been uniquely successful in meeting the needs of industry and creating value-added employment opportunities for young people.

ON-SITE places qualified unemployed individuals in companies and institutions for six-month terms, to assist with activities that are incremental to the regular business of the organization and result in positive change. The positive response to ON-SITE has clearly demonstrated that many companies have needs for specialized human resources that young workers can help to meet.

ON-SITE employers select their workers from a number of candidates prescreened by program administrators. A private sector company administers the program for CMA. The salaries of employees are paid by Human Resources Development Canada in the form of enhanced Unemployment Insurance benefits. Participating employers pay $100 per week for the management of the program.

The placements of highly qualified young professionals for six-month terms have proven to be very beneficial to both individual workers and participating companies. ON-SITE provides UI recipients with a chance to actively improve their skills and experience while they are collecting benefits. One-third of the project workers are hired by their host employers at the end of their work terms, and most of the others find employment elsewhere. More than 97% of participants are employed within three months of the end of their terms.

ON-SITE has been successful because it is market-driven and responds to industry's needs. Currently, the program provides qualified personnel to work on environmental, energy management, occupational health and safety, and quality management projects. These personnel are primarily young, university-educated individuals with good technical skills but limited workplace experience.

CMA and Industry Canada believe there are other opportunities to meet the needs of small and medium enterprises and to improve the employment prospects of young professionals, using the ON-SITE approach. We would like your views on how young professionals could help your company in the area of practical applications of computers, as well as your broader perspective on the contributions of young professionals in your industry.

Questions? Call the Survey Help Desk collect at (613) 235-7976.

I Computer Capabilities

To begin, we would like to ask some questions about the computer systems used in your company. Please note that your answers should apply only to your own office or facility and not to any other locations your company may have in Canada.

1. How do you rate your company's computer capabilities to meet your business needs in the following areas? Please consider only hardware and software: staff skills are addressed in a later section. *Provide your rating on the following scale where 1=extremely low capability, 7=extremely high capability and midpoint 4=moderate capability.*

EXTREMELY LOW CAPABILITY (1) MODERATE CAPABILITY (4) EXTREMELY HIGH CAPABILITY (7)

	1	2	3	4	5	6	7		
a) Management and administration	**2.5%**	**4.3%**	**8.1%**	**21.7%**	**28.0%**	**30.4%**	**5%**	**x̄ = 4.8**	**s = 1.3**
b) Sales and customer service	**3.2%**	**8.4%**	**13.0%**	**22.7%**	**22.1%**	**22.7%**	**7.8%**	**x̄ = 4.5**	**s = 1.5**
c) Marketing and communications	**3.9%**	**9.7%**	**18.8%**	**26.0%**	**16.9%**	**20.1%**	**4.5%**	**x̄ = 4.2**	**s = 1.5**
d) Production of goods and services	**4.1%**	**3.4%**	**4.8%**	**25.3%**	**22.6%**	**27.4%**	**12.3%**	**x̄ = 4.9**	**s = 1.5**
e) Overall computer capabilities	**1.2%**	**3.1%**	**8.6%**	**28.4%**	**25.9%**	**28.4%**	**4.3%**	**x̄ = 4.8**	**s = 1.2**

2. Overall, are you satisfied with the computer capabilities of your company?

EXTREMELY DISSATISFIED (1) NEITHER (4) EXTREMELY SATISFIED (7)

1	2	3	4	5	6	7		
3.1%	**3.7%**	**16.1%**	**10.6%**	**27.3%**	**35.4%**	**3.7%**	**x̄ = 4.8**	**s = 1.4**

3. Do you agree or disagree with the following statements about computer practices in your company?

STRONGLY DISAGREE (1) NEITHER (4) STRONGLY AGREE (7)

	1	2	3	4	5	6	7		
a) Overall, our company gets a good return on our investments in computer hardware and software.	**1.3%**	**5.6%**	**8.1%**	**6.9%**	**26.3%**	**37.5%**	**14.4%**	**x̄ = 5.2**	**s = 1.4**
b) Our staff makes the best possible use of our existing computer equipment and software.	**1.9%**	**8.7%**	**11.2%**	**9.3%**	**29.8%**	**31.1%**	**8.1%**	**x̄ = 4.8**	**s = 1.5**

4. In your view, how well is your firm keeping up with computer system changes needed to be competitive?

FALLING FAR BEHIND (1)			KEEPING UP (4)			FAR AHEAD OF COMPETITION (7)
1	2	3	4	5	6	7
1.9%	**3.2%**	**19.0%**	**25.9%**	**24.7%**	**18.4%**	**7.0%**

$\bar{x} = 4.5$ $s = 1.4$

5. In what areas does your company make the most effective use of computers? In what areas do you think improvements would be most useful?

____

____

II Internet and On-line Services

This section deals with your company's use of the Internet and commercial on-line services.

6. Does your company have access to the Internet?

n = 156 ☐ **Yes = 59.6%** ☐ **No = 40.4%**

If Yes: please check the activities for which your company uses the Internet.

☐ E-mail **88.9%**

☐ Sales support **16.7%**

☐ Advertising, promotion and marketing **38.9%**

☐ Information on competitors **24.4%**

☐ Internal company communications (network) **23.3%**

☐ General business/strategic information **34.4%**

☐ Market research and customer identification **22.2%**

☐ Technical/after-sales support to customers **10.0%**

☐ Electronic commerce/electronic data interchange **22.2%**

☐ Information on product and service suppliers **48.9%**

n = 90

7. How would you rate your overall interest in using the Internet for your business?

NOT AT ALL INTERESTED (1)			MODERATELY INTERESTED (4)			EXTREMELY INTERESTED (7)
1	2	3	4	5	6	7
5.4%	**9.4%**	**13.4%**	**26.2%**	**23.5%**	**16.1%**	**6.0%**

$\bar{x} = 4.3$ $s = 1.5$

8. **How do you think Internet access could help your business? In what areas would it be most useful?**

9. **Does your company subscribe to commercial on-line business services?**

n = 155 ☐ Yes = 21.3% ☐ No = 78.7%

If Yes: please check the activities for which your company uses these services.

☐ General business/strategic information **43.8%**

☐ Information on competitors **12.5%**

☐ Market research **21.9%**

☐ Information on product and service suppliers **46.9%**

☐ Technical information (e.g., new technologies, R&D) **37.5%**

☐ Other (please specify): ____________ **25.0%**

n = 32

10. **How interested are you in exploring use of the Internet or on-line business services for the following strategic business planning activities?**

NOT AT ALL INTERESTED (1) | MODERATELY INTERESTED (4) | EXTREMELY INTERESTED (7)

	1	2	3	4	5	6	7		
a) Research into new business opportunities	**15.8%**	**13.7%**	**8.9%**	**24.7%**	**16.4%**	**11.0%**	**9.6%**	**$\bar{x}$ = 3.8**	**s = 1.9**
b) Research into new technologies that you could potentially license or adopt	**17.1%**	**13.7%**	**7.5%**	**21.2%**	**20.5%**	**14.4%**	**5.5%**	**$\bar{x}$ = 3.8**	**s = 1.9**
c) Research into sources of assistance	**11.7%**	**11.0%**	**10.3%**	**27.6%**	**15.9%**	**16.6%**	**6.9%**	**$\bar{x}$ = 4.0**	**s = 1.8**
d) Technical information	**8.9%**	**11.0%**	**4.1%**	**23.3%**	**20.5%**	**20.5%**	**11.6%**	**$\bar{x}$ = 4.4**	**s = 1.8**
e) General business/strategic information	**8.8%**	**8.8%**	**5.4%**	**29.9%**	**21.8%**	**18.4%**	**6.8%**	**$\bar{x}$ = 4.3**	**s = 1.6**

III Computer Needs for Management and Administration

This section asks you a series of questions about the importance of computer technologies to the management and administration of your business.

11. How useful do you think the following improvements would be to your firm's computer capabilities for management and administration activities?

NOT AT ALL USEFUL (1) — MODERATELY USEFUL (4) — EXTREMELY USEFUL (7)

Strategic Business Planning	1	2	3	4	5	6	7		
a) Research in support of strategic business objectives (e.g., new opportunities or suppliers)	5.2%	10.5%	11.8%	35.3%	17.6%	15.7%	3.9%	$\bar{x} = 4.1$	s = 1.5
b) Identification of sources of investment/funding	19.1%	18.4%	19.7%	14.5%	14.5%	8.6%	5.3%	$\bar{x} = 3.3$	s = 1.8
c) Competitive intelligence	9.9%	7.9%	11.2%	11.8%	26.3%	23.7%	9.2%	$\bar{x} = 4.5$	s = 1.8
d) Research into new markets	5.2%	7.7%	9.0%	18.7%	24.5%	23.9%	11.0%	$\bar{x} = 4.7$	s = 1.6
Financial Management	1	2	3	4	5	6	7		
e) Electronic invoicing	6.6%	9.2%	6.6%	15.8%	22.4%	22.4%	17.1%	$\bar{x} = 4.7$	s = 1.8
f) Cost management/control	2.6%	5.8%	5.8%	18.1%	19.4%	29.7%	18.7%	$\bar{x} = 5.1$	s = 1.6
g) Payroll	5.8%	7.8%	9.1%	20.8%	14.3%	20.8%	21.4%	$\bar{x} = 4.8$	s = 1.8
h) Financial/tax planning	5.8%	7.1%	9.1%	25.3%	20.8%	16.9%	14.9%	$\bar{x} = 4.6$	s = 1.7
i) Accounting/bookkeeping	3.9%	7.1%	5.2%	23.4%	14.9%	24.0%	21.4%	$\bar{x} = 5.0$	s = 1.7
j) Electronic data interchange with your financial institution	7.2%	5.9%	5.3%	23.0%	21.7%	20.4%	16.4%	$\bar{x} = 4.7$	s = 1.7
Other Management Functions	1	2	3	4	5	6	7		
k) Scheduling/planning and project management	4.0%	3.3%	10.0%	14.7%	22.7%	26.0%	19.3%	$\bar{x} = 5.0$	s = 1.6
l) Inventory management/control	10.6%	7.9%	7.3%	17.2%	17.2%	17.2%	22.5%	$\bar{x} = 4.6$	s = 2.0
m) Electronic data interchange with suppliers and clients (e.g., automatic ordering)	7.4%	7.4%	8.7%	18.1%	18.1%	20.8%	19.5%	$\bar{x} = 4.7$	s = 1.8
n) Personnel/human resource management	4.5%	9.7%	8.4%	26.5%	23.9%	17.4%	9.7%	$\bar{x} = 4.5$	s = 1.6
o) Productivity analysis	3.2%	4.5%	6.5%	16.9%	18.8%	29.2%	20.8%	$\bar{x} = 5.1$	s = 1.6

12. In your view, what are the main advantages of investments in computer technologies for *management and administration*? What are the driving forces behind your investments in computer hardware and software for these activities?

____

____

IV Computer Needs for Marketing and Communications

This section asks you a series of questions about the importance of computer technologies to sales, marketing and communications functions of your business.

13. How useful do you think the following improvements would be to your firm's computer capabilities in marketing and communications?

	NOT AT ALL USEFUL (1)			MODERATELY USEFUL (4)			EXTREMELY USEFUL (7)		
	1	2	3	4	5	6	7		
a) Software for sales support (e.g., presentation software)	8.5%	10.5%	8.5%	26.1%	21.6%	13.1%	11.8%	$\bar{x} = 4.3$	$s = 1.7$
b) Marketing/sales databases (for new customers)	10.3%	7.7%	9.0%	14.8%	22.6%	22.6%	12.9%	$\bar{x} = 4.5$	$s = 1.8$
c) Databases of existing customers	4.6%	4.6%	9.9%	24.3%	15.1%	27.6%	13.8%	$\bar{x} = 4.8$	$s = 1.6$
d) Internal company communications (e.g., e-mail, networks)	9.6%	7.1%	10.3%	19.9%	22.4%	16.0%	14.7%	$\bar{x} = 4.5$	$s = 1.8$
e) Production of marketing and promotional materials (e.g., desk-top publishing, graphics)	9.1%	7.1%	11.7%	19.5%	17.5%	14.3%	20.8%	$\bar{x} = 4.6$	$s = 1.9$
f) Internet access	9.1%	11.7%	8.4%	24.0%	16.9%	16.2%	13.6%	$\bar{x} = 4.3$	$s = 1.8$

14. In your view, what are the main advantages of investments in computer technologies for *marketing and communications*? What are the driving forces behind your investments in computer hardware and software for these activities?

____

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V Barriers to Computer Use

15. Please rate the extent to which you think the following problems present barriers to improving your company's use of computers.

	NOT A PROBLEM (1)			MODERATE PROBLEM (4)			SERIOUS PROBLEM (7)		
	1	2	3	4	5	6	7		
a) Cost of upgrading hardware and software	7.5%	7.5%	8.2%	27.0%	23.9%	11.3%	14.5%	$\bar{x} = 4.4$	$s = 1.7$
b) Lack of personnel with sufficient computer skills	9.4%	8.8%	14.4%	23.1%	16.9%	16.9%	10.6%	$\bar{x} = 4.2$	$s = 1.8$
c) Uncertainty about what computer technologies/programs are most appropriate for my business	15.9%	10.8%	15.9%	21.7%	12.7%	18.5%	4.5%	$\bar{x} = 3.8$	$s = 1.8$
d) Staff resistance to change	16.8%	15.5%	22.4%	19.9%	10.6%	11.2%	3.7%	$\bar{x} = 3.4$	$s = 1.7$
e) Management resistance to change	19.4%	18.8%	17.5%	20.6%	11.3%	9.4%	3.1%	$\bar{x} = 3.3$	$s = 1.7$
f) Concerns about the value of frequent upgrades to hardware and software	7.6%	5.7%	12.0%	22.8%	20.3%	21.5%	10.1%	$\bar{x} = 4.5$	$s = 1.7$
g) Learning curves/costs of staff training	5.6%	5.6%	16.3%	28.8%	18.8%	15.0%	10.0%	$\bar{x} = 4.3$	$s = 1.6$

16. What are the most important problems that your company faces in the area of making improvements to computer capabilities?

VI Computer Skills and Human Resource Needs

17. How would you rate the computer knowledge and skills of your employees working in the following areas?

	EXTREMELY LOW (1)			MODERATE (4)			EXTREMELY HIGH (7)		
	1	2	3	4	5	6	7		
a) Management and administration	1.9%	3.7%	6.8%	33.5%	34.8%	15.5%	3.7%	$\bar{x} = 4.6$	$s = 1.2$
b) Sales and customer service	4.5%	9.1%	13.0%	35.7%	26.6%	9.1%	1.9%	$\bar{x} = 4.1$	$s = 1.3$
c) Marketing and communications	3.4%	8.1%	16.1%	35.6%	26.2%	8.1%	2.7%	$\bar{x} = 4.1$	$s = 1.3$

EXTREMELY LOW (1) — MODERATE (4) — EXTREMELY HIGH (7)

	1	2	3	4	5	6	7		
d) Production of goods and services	2.7%	6.8%	17.8%	30.1%	24.7%	11.0%	6.8%	$\bar{x} = 4.3$	$s = 1.4$
e) Employees' overall knowledge and skills	0.6%	6.9%	16.3%	41.9%	23.1%	8.1%	3.1%	$\bar{x} = 4.2$	$s = 1.1$
f) Your own computer knowledge and skills	5.7%	4.4%	8.2%	22.6%	26.4%	22.6%	10.1%	$\bar{x} = 4.7$	$s = 1.6$

18. How would you rate your company's *short-term needs* (i.e., in the next six months) for better computer skills for the following business activities?

NO/LITTLE NEED (1) — MODERATE NEED (4) — GREAT NEED (7)

	1	2	3	4	5	6	7		
a) Management and administration	9.4%	15.7%	11.3%	29.6%	20.8%	8.8%	4.4%	$\bar{x} = 3.8$	$s = 1.6$
b) Sales and customer service	13.9%	14.6%	10.1%	23.4%	20.3%	14.6%	3.2%	$\bar{x} = 3.8$	$s = 1.7$
c) Marketing and communications	14.5%	16.4%	12.5%	21.7%	19.7%	9.9%	5.3%	$\bar{x} = 3.7$	$s = 1.8$
d) Production of goods and services	11.3%	22.0%	10.0%	18.7%	18.0%	14.0%	6.0%	$\bar{x} = 3.8$	$s = 1.8$

19. What are your most pressing needs for computer skills?

VII Opportunities for Young Professionals

Programs such as ON-SITE place young professionals in companies to help with incremental activities. The young professionals receive UI benefits during their six-month placements, and participating companies pay $100 per week for program management. Your answers to the following questions will help the program managers expand the range of services that young professionals can provide as part of a work experience program.

20. How would you rate the opportunities for highly qualified young professionals with computer skills to find work with your company?

NO/FEW OPPORTUNITIES (1) — SOME OPPORTUNITIES (4) — MANY OPPORTUNITIES (7)

1	2	3	4	5	6	7		
9.5%	25.9%	17.1%	20.3%	15.8%	8.2%	3.2%	$\bar{x} = 3.4$	$s = 1.6$

21. Generally speaking, how do you view the benefits or payoff your company receives from hiring young workers in professional or technical positions?

EXTREMELY LOW PAYOFF (1)			MODERATE PAYOFF (4)			EXTREMELY HIGH PAYOFF (7)	
1	2	3	4	5	6	7	
3.4%	6.1%	15.5%	31.1%	24.3%	18.2%	1.4%	$\bar{x} = 4.3$ $s = 1.3$

22. In your opinion, would the following characteristics of a work experience program be positive or negative features?

	EXTREMELY NEGATIVE (1)			NEITHER (4)			EXTREMELY POSITIVE (7)	
	1	2	3	4	5	6	7	
a) Program led by the private sector and supported (e.g., financially) by the public sector	3.6%	1.5%	8.0%	15.3%	38.0%	24.8%	8.8%	$\bar{x} = 4.9$ $s = 1.3$
b) Provision of practical workplace experience	1.4%	0.7%	0.7%	12.9%	40.8%	27.9%	15.6%	$\bar{x} = 5.4$ $s = 1.1$
c) Partial salary subsidy, linked to an obligation to hire the worker at the end of the work term	11.6%	15.6%	16.3%	21.8%	19.0%	13.6%	2.0%	$\bar{x} = 3.7$ $s = 1.6$
d) Focus on non-production activity (i.e., work that might not otherwise get done)	6.8%	8.8%	18.4%	30.6%	23.8%	10.2%	1.4%	$\bar{x} = 3.9$ $s = 1.4$
e) Program led and financed entirely by the private sector	7.1%	10.0%	16.4%	35.7%	15.0%	7.9%	7.9%	$\bar{x} = 4.0$ $s = 1.6$
f) Use of UI dollars to fund work placements	8.7%	2.7%	10.7%	16.7%	18.0%	31.3%	12.0%	$\bar{x} = 4.8$ $s = 1.7$
g) Employer pays no salary costs but pays for program administration, with no obligation to hire the worker at the end of the term	6.1%	2.0%	8.1%	12.2%	22.3%	27.0%	22.3%	$\bar{x} = 5.1$ $s = 1.7$
h) Program restricted to young people	12.8%	12.2%	11.5%	32.4%	17.6%	11.5%	2.0%	$\bar{x} = 3.7$ $s = 1.6$
i) Emphasis on high-skill jobs	6.2%	3.4%	8.2%	30.1%	17.1%	25.3%	9.6%	$\bar{x} = 4.6$ $s = 1.6$

23. Do you have any comments about these or other aspects of a work experience program for young professionals that might cause it to succeed or to fail?

24. How interested would your company be in participating in a program to provide work experience to young professionals?

NOT AT ALL INTERESTED (1) SOMEWHAT INTERESTED (4) EXTREMELY INTERESTED (7)

1	2	3	4	5	6	7	
8.4%	12.3%	14.3%	26.6%	20.1%	11.7%	6.5%	$\bar{x} = 4.0$ $s = 1.6$

VIII Background Characteristics

25. Does your organization operate at

		n = 158
A single location?	1	57.0%
Multiple locations in Canada?	2	29.7%
Multiple locations in Canada and other countries?	3	13.3%

26. Your location is

		n = 156
Head office	1	87.8%
A division or subsidiary	2	12.2%

27. How many full-time staff does your company employ?

At your location? ☐☐☐☐ $\bar{x} = 93.6$ $s = 193.0$

In Canada? ☐☐☐☐ $\bar{x} = 259.1$ $s = 519.0$

28. Over the last 24 months, approximately how many new staff has your company employed for jobs requiring highly skilled workers: e.g., management, professional, technical positions? *(If you don't know, please circle 999.)*

Number of new hires in last 24 months ☐☐☐ $\bar{x} = 9.5$ $s = 26.8$

29. Approximately how many of these new hires have been under 30 years of age?

Number of new hires under 30 in last 24 months ☐☐☐ $\bar{x} = 5.5$ $s = 12.3$

30. For how many years . . .

Has your firm been operating? ☐☐☐ $\bar{x} = 33.2$ $s = 36.3$

Have you been employed with this company? ☐☐ $\bar{x} = 11.6$ $s = 9.5$

31. What is your position within the organization?

		n = 156
Owner, President or CEO	1	35.9%
Senior Manager, Executive Officer, General Manager	2	33.3%
Manager: Human Resources/Personnel	3	7.1%
Manager: Other areas of responsibility (please specify) ________	4	14.7%
Other (please specify) ________	5	9.0%

32. **We welcome your comments on the topics covered in this survey.**

Would you be interested in receiving a brief summary of the results of this survey?

YES	NO	n = 154
59.7%	40.3%	

If "Yes", please print your name and mailing address below.

Please note that the information below will be kept separate from your responses to this survey, and will not be used for any other purpose. Your name and address will not be added to any mailing list except to receive information related to this survey. An independent consultant will process this information and will not provide your responses to Canadian Manufacturers' Association or Industry Canada with your name or address attached.

Name: ____________________

Title: ____________________

Company: ____________________

Mailing Address: ____________________

____________________ Postal Code: __________

Tel: (   ) ____________________ Fax: (   ) ____________________

Internet/E-mail: ____________________

Thank you for your assistance.

Appendix B

Annotated Questionnaire:

Part 2: New Market Development and Exporting

National Survey of Work Opportunities for Qualified Young Professionals

Part 2: New Market Development and Exporting

June 18, 1996

Dear Employer:

Industry Canada and Canadian Manufacturers' Association (CMA) are conducting a series of surveys of Canadian companies concerning work opportunities for qualified young professionals. The objectives of these surveys are to identify productive areas for youth employment and to find better ways to match young workers with high-skill opportunities in the private sector: for example, in junior professional, technical and management positions.

A current CMA initiative called ON-SITE/À LA SOURCE has been very successful at achieving this potential, placing more than 3,000 skilled young workers with satisfied employers. Industry Canada, CMA and other associations are now working to realize more of these opportunities for youth employment.

We are surveying Canadian employers to determine their views on opportunities for young professionals in the following areas:

1. Practical Computer Applications for Business
2. New Market Development and Exporting
3. Customer Service

You are one of a small number of Canadian employers selected to receive the survey on New Market Development and Exporting. The importance of this subject to Canadian business is reflected by the recent merger of CMA and the Canadian Exporters' Association to form the Alliance of Manufacturers & Exporters Canada. We encourage you to take a few minutes to complete this questionnaire so that the study results will accurately represent the views of Canadian business. Of course, your participation is entirely voluntary. Please note that your responses will be kept completely confidential and that your answers will never be associated with your name or the name of your company. *If for some reason you are unable to complete the questionnaire yourself, we encourage you to pass it on to another appropriate contact in a senior management position within your organization.*

When you have completed the questionnaire, please mail it to us in the envelope provided. If you would like additional information about the survey, if you have any questions about completing the questionnaire, or if you would like to receive copies of either of the other two questionnaires, please telephone (collect) Ann Simpson or Kathy Deeg at Energy Pathways Inc. in Ottawa: (613) 235-7976. Thank you for your assistance.

Peter Sagar
Director General
Entrepreneurship and Small Business Office

Industry Canada Industrie Canada

Stephen Van Houten
President

Canadian Manufacturers' Association
Association des manufacturiers canadiens

Background on the ON-SITE Approach to Work Opportunities for Youth

Canadian Manufacturers' Association's ON-SITE/À LA SOURCE program is an innovative industry-government partnership that has been uniquely successful in meeting the needs of industry and creating value-added employment opportunities for young people.

ON-SITE places qualified unemployed individuals in companies and institutions for six-month terms, to assist with activities that are incremental to the regular business of the organization and result in positive change. The positive response to ON-SITE has clearly demonstrated that many companies have needs for specialized human resources that young workers can help to meet.

ON-SITE employers select their workers from a number of candidates prescreened by program administrators. A private sector company administers the program for CMA. The salaries of employees are paid by Human Resources Development Canada in the form of enhanced Unemployment Insurance benefits. Participating employers pay $100 per week for the management of the program.

The placements of highly qualified young professionals for six-month terms have proven to be very beneficial to both individual workers and participating companies. ON-SITE provides UI recipients with a chance to actively improve their skills and experience while they are collecting benefits. One-third of the project workers are hired by their host employers at the end of their work terms, and most of the others find employment elsewhere. More than 97% of participants are employed within three months of the end of their terms.

ON-SITE has been successful because it is market-driven and responds to industry's needs. Currently, the program provides qualified personnel to work on environmental, energy management, occupational health and safety, and quality management projects. These personnel are primarily young, university-educated individuals with good technical skills but limited workplace experience.

CMA and Industry Canada believe there are other opportunities to meet the needs of small and medium enterprises and to improve the employment prospects of young professionals, using the ON-SITE approach. We would like your views on how young professionals could help your company in the area of new market development and exporting, as well as your broader perspective on the contributions of young professionals in your industry.

Questions? Call the Survey Help Desk collect at (613) 235-7976.

I Current Business and Growth Expectations

To begin, we would like to know a bit about your current markets and plans for growth.

1. Do you expect your company's sales to increase or decrease over the next 12 months?

	DECREASE SIGNIFICANTLY (1)			STAY THE SAME (4)			INCREASE SIGNIFICANTLY (7)		
	1	2	3	4	5	6	7		
a) Total sales	—	1.3%	5.8%	20.6%	43.0%	19.7%	9.4%	x̄ = 5.0	s = 1.1
b) Domestic market sales	—	1.0%	9.0%	37.0%	32.5%	14.5%	6.0%	x̄ = 4.7	s = 1.1
c) Export market sales	0.6%	3.0%	2.4%	28.7%	31.7%	20.4%	13.2%	x̄ = 5.0	s = 1.2

2. Where in Canada does your company currently sell its products or services? *(Circle all that apply.)*

Yukon and Northwest Territories	1	19.4%
British Columbia	2	51.5%
Prairies	3	50.2%
Ontario	4	78.0%
Québec	5	69.2%
Atlantic	6	47.1%
No sales within Canada	7	2.6%

n = 227

3. Does your company currently earn revenues from export sales?

	YES	NO	
n = 229	60.7%	39.3%	*If "no", skip to Q #8 on page 4.*

4. For approximately how many years has your company been exporting?

Number of years ☐☐☐ x̄ = 14.2 s = 13.3

5. Approximately what percentage of your total 1995 revenues was derived from exports?

Percentage of total 1995 revenues derived from exports ☐☐☐ x̄ = 39.4 s = 31.1

6. A) What are your current export markets? *(Circle all that apply.)*
B) What are the main products/services you sell in these markets?

	A) EXPORT MARKET		B) PRODUCTS/ SERVICES SOLD
U.S.	1	92.9%	
Mexico	2	21.4%	
Western Europe	3	29.3%	
Eastern and Central Europe	4	11.4%	
Southeast Asia/ Pacific Rim	5	35.7%	
South Asia	6	12.9%	
Central & South America (excl. Mexico)	7	21.4%	
Middle East	8	17.1%	
Other (specify) ______	9	10.7%	

n = 140

7. Overall, how satisfied are you with the degree of success of your company's past and current export activities?

EXTREMELY DISSATISFIED (1)			NEITHER SATISFIED NOR DISSATISFIED (4)			EXTREMELY SATISFIED (7)	
4.2%	2.1%	10.6%	24.6%	28.2%	23.9%	6.3%	$\bar{x} = 4.7$ $s = 1.4$

II Export Market Opportunities and Barriers

We would like to know your company's level of interest in exporting and/or in expanding exports, and your views on barriers to exporting.

8. How would you rate your company's overall interest in exporting and/or in developing new export markets over the next 24 months?

NOT AT ALL INTERESTED (1)			MODERATELY INTERESTED (4)			EXTREMELY INTERESTED (7)	
1	2	3	4	5	6	7	
22.4%	0.9%	0.9%	10.3%	13.6%	22.4%	29.4%	$\bar{x} = 4.8$ $s = 2.3$

If not at all interested, please skip to Q.#14 on page 7.

9. How interested are you in introducing your products or services or increasing your company's sales to the following markets?

	NOT AT ALL INTERESTED (1)			MODERATELY INTERESTED (4)			EXTREMELY INTERESTED (7)		
	1	2	3	4	5	6	7		
a) U.S.	4.8%	0.6%	2.4%	9.1%	9.7%	21.8%	51.5%	$\bar{x} = 5.9$	$s = 1.6$
b) Mexico	15.6%	3.3%	6.6%	18.0%	19.7%	11.5%	25.4%	$\bar{x} = 4.6$	$s = 2.1$
c) Western Europe	18.3%	3.3%	2.5%	17.5%	13.3%	14.2%	30.8%	$\bar{x} = 4.7$	$s = 2.2$
d) Eastern and Central Europe	25.7%	6.7%	5.7%	18.1%	12.4%	11.4%	20.0%	$\bar{x} = 4.0$	$s = 2.3$
e) Southeast Asia/Pacific Rim	24.2%	2.5%	4.2%	12.5%	10.0%	17.5%	29.2%	$\bar{x} = 4.5$	$s = 2.4$
f) South Asia	32.0%	3.1%	7.2%	15.5%	12.4%	11.3%	18.6%	$\bar{x} = 3.8$	$s = 2.3$
g) Central & South America (excluding Mexico)	25.2%	0.9%	7.5%	16.8%	15.9%	11.2%	22.4%	$\bar{x} = 4.2$	$s = 2.2$
h) Middle East	33.7%	7.1%	6.1%	10.2%	13.3%	12.2%	17.3%	$\bar{x} = 3.7$	$s = 2.4$
i) Other (specify) ______________	54.1%	5.4%	—	13.5%	5.4%	10.8%	10.8%	$\bar{x} = 2.9$	$s = 2.3$

10. To what extent do you need the following types of information in order for your company to take advantage of export market opportunities?

	NO/LITTLE NEED (1)			MODERATE NEED (4)			HIGH NEED (7)		
	1	2	3	4	5	6	7		
a) Characteristics of the markets in which you are interested (e.g., costs, regulations, quality requirements)	7.6%	5.1%	1.3%	19.1%	13.4%	19.1%	34.4%	$\bar{x} = 5.2$	$s = 1.9$
b) Sales opportunities in specific markets	5.6%	—	3.7%	16.8%	14.9%	26.7%	32.3%	$\bar{x} = 5.5$	$s = 1.6$
c) Problems you might encounter	7.6%	3.2%	3.2%	14.6%	17.1%	25.3%	29.1%	$\bar{x} = 5.2$	$s = 1.8$
d) Different ways to enter the markets in which you are interested	7.6%	1.9%	6.3%	14.6%	12.7%	29.1%	27.8%	$\bar{x} = 5.2$	$s = 1.8$
e) Export financing options	16.0%	5.8%	5.1%	19.2%	9.6%	16.0%	28.2%	$\bar{x} = 4.6$	$s = 2.2$
f) Overall knowledge of the international markets that interest your company	7.4%	3.7%	5.6%	16.0%	16.7%	22.8%	27.8%	$\bar{x} = 5.1$	$s = 1.8$

11. If your company has an interest in export growth (whether you currently export or not), how would you rate your company's status with respect to the following steps needed for export readiness?

	NOT AT ALL READY (1)			SOMEWHAT READY (4)			COMPLETELY READY (7)		
	1	2	3	4	5	6	7		
a) Your company's overall readiness to take advantage of export opportunities	2.9%	3.5%	4.1%	18.8%	20.0%	30.0%	20.6%	$\bar{x} = 5.2$	s = 1.5
b) General research and planning (e.g., assessing export capacity; identifying potential markets)	4.2%	5.4%	14.5%	30.1%	20.5%	17.5%	7.8%	$\bar{x} = 4.4$	s = 1.5
c) Market research (e.g., researching competitors and trade environment; identifying partners, joint ventures or distribution networks)	6.7%	8.5%	19.4%	27.3%	20.0%	13.9%	4.2%	$\bar{x} = 4.0$	s = 1.5
d) Determining changes needed to products and production processes for export markets	4.3%	6.1%	16.5%	25.0%	15.2%	23.8%	9.1%	$\bar{x} = 4.5$	s = 1.6
e) Detailed planning (e.g., developing promotional strategies, logistical plans, pricing and payment systems; arranging financing and insurance)	10.7%	8.9%	13.0%	21.9%	21.3%	16.0%	8.3%	$\bar{x} = 4.2$	s = 1.7
f) Implementation and monitoring (e.g., implementing production/process changes; test-marketing; evaluation and review)	6.7%	7.9%	14.5%	24.8%	14.5%	21.2%	10.3%	$\bar{x} = 4.4$	s = 1.7

12. For your company, to what extent do the following problems represent barriers to successful exporting?

	NOT A PROBLEM (1)			MODERATE PROBLEM (4)			SERIOUS PROBLEM (7)		
	1	2	3	4	5	6	7		
a) Level of investment required is excessive	16.0%	14.8%	10.5%	26.5%	13.6%	12.3%	6.2%	$\bar{x} = 3.7$	s = 1.8
b) Lack personnel time to research and follow-up export opportunities	6.6%	6.6%	10.8%	22.2%	25.7%	18.6%	9.6%	$\bar{x} = 4.5$	s = 1.6
c) Level of risk is too high	13.3%	13.9%	19.4%	29.1%	12.7%	7.3%	4.2%	$\bar{x} = 3.5$	s = 1.6
d) Difficult to find partners in the export market	12.0%	8.9%	13.9%	22.8%	17.1%	16.5%	8.9%	$\bar{x} = 4.1$	s = 1.8
e) Difficult to obtain financing	18.3%	17.7%	12.8%	26.2%	10.4%	6.1%	8.5%	$\bar{x} = 3.5$	s = 1.8
f) Delays/difficulties in receiving payment	11.9%	12.5%	19.4%	26.9%	10.0%	12.5%	6.9%	$\bar{x} = 3.8$	s = 1.7
g) Language, cultural or social barriers	21.4%	16.1%	15.5%	22.0%	11.3%	9.5%	4.2%	$\bar{x} = 3.3$	s = 1.8
h) Trade, regulatory and non-tariff barriers	12.9%	14.1%	14.1%	23.9%	16.6%	9.8%	8.6%	$\bar{x} = 3.8$	s = 1.8

13. Does your company face any other barriers to exporting?

III Domestic Marketing Opportunities and Barriers

The purpose of human resource programs such as ON-SITE is to create incremental new work opportunities that do not displace existing Canadian jobs. Domestic marketing activities that expand markets or create new ones, and which do not compete with existing Canadian companies, may offer opportunities to create work experience positions. Your answers to the following questions will help employment program managers determine the extent to which such opportunities exist.

14. How interested are you in expanding your business by . . .

	NOT AT ALL INTERESTED (1)			MODERATELY INTERESTED (4)			EXTREMELY INTERESTED (7)	
	1	2	3	4	5	6	7	
a) Increasing sales of existing products and services in the province in which your company (or your branch/office) is located	1.3%	2.7%	2.2%	16.0%	11.6%	19.6%	46.7%	$\bar{x} = 5.8$ $s = 1.5$
b) Increasing sales of existing products and services elsewhere in Canada	9.8%	1.8%	5.4%	9.4%	13.8%	25.9%	33.9%	$\bar{x} = 5.3$ $s = 1.9$
c) Selling new products and services in the province in which your company (or your branch/office) is located	6.8%	3.6%	5.4%	19.0%	11.8%	19.9%	33.5%	$\bar{x} = 5.2$ $s = 1.8$
d) Selling new products and services elsewhere in Canada	14.5%	4.5%	6.8%	13.2%	14.5%	17.7%	28.6%	$\bar{x} = 4.8$ $s = 2.1$

15. To what extent do you expect to face competition from similar products or services already available in your target markets?

NO/VERY LITTLE COMPETITION (1)			SOME COMPETITION (4)			HIGH COMPETITION (7)	
1	2	3	4	5	6	7	
2.2%	2.2%	2.7%	11.2%	16.5%	26.3%	38.8%	$\bar{x} = 5.7$ $s = 1.4$

16. Is this competition mainly from domestic or foreign-based companies?

		n = 220
Domestic companies	1	38.6%
Foreign companies	2	19.5%
Both	3	41.8%

17. To what extent does your company face the following problems in expanding sales in Canada?

	NOT A PROBLEM (1)			MODERATE PROBLEM (4)			SERIOUS PROBLEM (7)		
	1	2	3	4	5	6	7		
a) Lack of information on market opportunities	24.9%	19.7%	12.2%	24.9%	9.9%	5.6%	2.8%	$\bar{x} = 3.0$	s = 1.7
b) Lack of personnel time to research and follow-up marketing opportunities	16.7%	14.4%	11.6%	20.4%	14.4%	18.5%	4.2%	$\bar{x} = 3.7$	s = 1.8
c) Lack of money to invest in marketing and/or new product development	19.8%	16.5%	13.2%	15.1%	15.1%	14.2%	6.1%	$\bar{x} = 3.6$	s = 1.9
d) Distribution, transportation and communication costs	22.0%	18.2%	15.9%	21.0%	13.6%	6.5%	2.8%	$\bar{x} = 3.2$	s = 1.7
e) Inter-provincial trade barriers (e.g., regulations)	39.3%	21.8%	8.5%	11.4%	5.7%	6.6%	6.6%	$\bar{x} = 2.7$	s = 1.9

18. Does your company face any other barriers to increasing domestic sales?

IV Human Resource Needs and Oppportunities

Programs such as ON-SITE place young professionals in companies to help with incremental activities and gain experience. Your answers to the following questions will help employment program managers determine the best formats for work experience programs and expand the range of services that young professionals can provide as part of such programs.

19. Generally speaking, how do you view the benefits or payoff your company receives from hiring young workers in professional or technical positions?

EXTREMELY LOW PAYOFF (1)			MODERATE PAYOFF (4)			EXTREMELY HIGH PAYOFF (7)	
1	2	3	4	5	6	7	
3.5%	7.9%	9.4%	34.2%	21.8%	19.3%	4.0%	$\bar{x} = 4.4$ s = 1.4

20. Please rate the extent to which you think the following problems present barriers to young people who want to get jobs in your industry.

First, consider the skills and characteristics of the prospective young worker.

	NOT A PROBLEM (1) 1	2	3	MODERATE PROBLEM (4) 4	5	6	SERIOUS PROBLEM (7) 7		
a) A lack of general skills such as language, math and communications	12.1%	15.2%	10.3%	26.0%	12.6%	13.0%	10.8%	$\bar{x} = 3.9$	$s = 1.9$
b) A lack of technical or specialized skills for the job or profession	4.4%	10.1%	7.5%	16.7%	19.4%	23.8%	18.1%	$\bar{x} = 4.8$	$s = 1.7$
c) A lack of enthusiasm and commitment to their work	14.0%	14.9%	11.3%	19.5%	13.1%	13.6%	13.6%	$\bar{x} = 4.0$	$s = 2.0$
d) A lack of practical work experience	1.3%	5.3%	10.2%	23.1%	20.0%	25.8%	14.2%	$\bar{x} = 4.9$	$s = 1.5$
e) The lack of good job opportunities	6.3%	6.3%	8.6%	24.9%	22.2%	20.8%	10.9%	$\bar{x} = 4.6$	$s = 1.6$
f) Unrealistic expectations about their value in the job market	2.3%	7.4%	10.1%	28.1%	20.3%	14.7%	17.1%	$\bar{x} = 4.7$	$s = 1.6$

Next, consider the problem of barriers to jobs for young people from the perspective of the employer.

	NOT A PROBLEM (1) 1	2	3	MODERATE PROBLEM (4) 4	5	6	SERIOUS PROBLEM (7) 7		
g) The costs of hiring, supervising and training new employees	3.1%	6.7%	11.6%	28.0%	20.9%	20.0%	9.8%	$\bar{x} = 4.6$	$s = 1.5$
h) The costs of salaries and benefits for new employees	5.8%	7.1%	14.6%	26.5%	19.9%	16.8%	9.3%	$\bar{x} = 4.4$	$s = 1.6$
i) Changing human resource practices (e.g., downsizing, outsourcing, contract workers)	6.3%	14.3%	12.6%	26.5%	18.8%	14.3%	7.2%	$\bar{x} = 4.1$	$s = 1.6$
j) Th00e lack of job opportunities provided by my industry to qualified young professionals	4.9%	10.8%	11.7%	23.8%	19.3%	18.8%	10.8%	$\bar{x} = 4.4$	$s = 1.7$

21. How would you rate the opportunities for highly skilled young professionals to work in jobs in your company related to market expansion and development of new markets?

NO/FEW OPPORTUNITIES (1) 1	2	3	SOME OPPORTUNITIES (4) 4	5	6	MANY OPPORTUNITIES (7) 7	
6.8%	12.2%	16.3%	31.2%	16.7%	11.8%	5.0%	$\bar{x} = 3.9$ $s = 1.5$

22. How useful could young professionals be to your company if they worked for six months on the following tasks related to new market development?

	NOT AT ALL USEFUL (1)			MODERATELY USEFUL (4)			EXTREMELY USEFUL (7)		
	1	2	3	4	5	6	7		
a) General research and planning (e.g., assessing export capacity)	24.1%	13.6%	10.5%	25.9%	12.7%	6.8%	6.4%	$\bar{x} = 3.4$	$s = 1.8$
b) Researching particular markets	14.9%	11.3%	11.3%	23.1%	18.6%	11.3%	9.5%	$\bar{x} = 3.9$	$s = 1.9$
c) Working on changes to products, services or production processes for new markets	17.1%	14.9%	11.3%	21.2%	16.2%	13.5%	5.9%	$\bar{x} = 3.7$	$s = 1.8$
d) Detailed planning (e.g., promotional plans, logistics, pricing and payment systems, financing and insurance)	17.2%	13.6%	10.9%	23.1%	16.3%	13.1%	5.9%	$\bar{x} = 3.7$	$s = 1.8$
e) Test-marketing, review and evaluation	20.1%	15.1%	11.0%	17.8%	13.7%	16.0%	6.4%	$\bar{x} = 3.6$	$s = 1.9$

23. In your opinion, would the following characteristics of a work experience program be positive or negative features?

	EXTREMELY NEGATIVE (1)			NEITHER (4)			EXTREMELY POSITIVE (7)		
	1	2	3	4	5	6	7		
a) Program led by the private sector and supported (e.g., financially) by the public sector	1.4%	3.8%	4.3%	19.7%	26.4%	28.4%	15.9%	$\bar{x} = 5.1$	$s = 1.4$
b) Provision of practical workplace experience	—	0.9%	2.8%	4.2%	38.5%	31.0%	22.5%	$\bar{x} = 5.6$	$s = 1.0$
c) Partial salary subsidy, linked to an obligation to hire the worker at the end of the work term	6.6%	6.6%	13.6%	23.0%	25.8%	14.6%	9.9%	$\bar{x} = 4.4$	$s = 1.6$
d) Focus on non-production activity (i.e., work that might not otherwise get done)	3.5%	6.5%	18.9%	30.3%	25.4%	11.9%	3.5%	$\bar{x} = 4.2$	$s = 1.3$
e) Program led and financed entirely by the private sector	9.0%	8.1%	14.3%	34.8%	17.6%	10.0%	6.2%	$\bar{x} = 4.0$	$s = 1.6$
f) Use of UI dollars to fund work placements	6.7%	9.1%	8.7%	18.3%	20.7%	20.7%	15.9%	$\bar{x} = 4.6$	$s = 1.8$
g) Employer pays no salary costs but pays for program administration, with no obligation to hire the worker at term end	2.3%	7.5%	3.7%	14.5%	17.3%	31.3%	23.4%	$\bar{x} = 5.2$	$s = 1.6$
h) Program restricted to young people	5.6%	11.6%	7.4%	32.9%	15.3%	17.6%	9.7%	$\bar{x} = 4.3$	$s = 1.6$
i) Emphasis on high-skill jobs	1.9%	2.9%	8.7%	29.0%	18.8%	25.6%	13.0%	$\bar{x} = 4.9$	$s = 1.4$

24. Do you have any comments about these or other aspects of a work experience program for young professionals that might cause it to succeed or to fail?

____

____

25. How interested would your company be in participating in a program to provide work experience to young professionals?

NOT AT ALL INTERESTED (1)			SOMEWHAT INTERESTED (4)			EXTREMELY INTERESTED (7)	
1	2	3	4	5	6	7	
3.3%	10.7%	11.6%	32.1%	16.7%	16.7%	8.8%	$\bar{x} = 4.3$ s = 1.5

V Background Characteristics

26. Does your organization operate at

		n = 221
A single location?	1	57.9%
Multiple locations in Canada?	2	25.8%
Multiple locations in Canada and other countries?	3	16.3%

27. Your location is

		n = 221
Head office	1	87.8%
A division or subsidiary	2	12.2%

28. How many full-time staff does your company employ?

At your location?	☐☐☐☐	$\bar{x} = 114.7$ s = 379.6
In Canada?	☐☐☐☐	$\bar{x} = 178.8$ s = 218.3

29. Over the last 24 months, approximately how many new staff has your company employed for jobs requiring highly skilled workers: e.g., management, professional, technical positions? *(If you don't know, please circle 999.)*

Number of new hires in last 24 months	☐☐☐	$\bar{x} = 6.5$ s = 9.6

30. Approximately how many of these new hires have been under 30 years of age?

Number of new hires under 30 in last 24 months	☐☐☐	$\bar{x} = 5.5$ s = 13.1

31. For how many years . . .

Has your firm been operating?	☐☐☐	$\bar{x} = 29.3$ s = 23.0
Have you been employed with this company?	☐☐	$\bar{x} = 12.6$ s = 10.1

32. What is your position within the organization?

n = 224

Owner, President or CEO	1	45.5%
Senior Manager, Executive Officer, General Manager	2	33.5%
Manager: Human Resources/Personnel	3	7.1%
Manager: Other areas of responsibility (please specify) ________	4	7.6%
Other (please specify) ________	5	6.3%

33. We welcome your comments on the topics covered in this survey.

____

____

____

____

____

Would you be interested in receiving a brief summary of the results of this survey?

n = 215

YES	NO
61.4%	38.6%

If "Yes", please print your name and mailing address below.

Please note that the information below will be kept separate from your responses to this survey, and will not be used for any other purpose. Your name and address will not be added to any mailing list except to receive information related to this survey. An independent consultant will process this information and will not provide your responses to Canadian Manufacturers' Association or Industry Canada with your name or address attached.

Name: ____

Title: ____________________ Company: ____________________

Mailing Address: ____

________________________________ Postal Code: __________

Tel: (   ) ____________________ Fax: (   ) ____________________

Internet/E-mail: ____

Thank you for your assistance.

Appendix C

Annotated Questionnaire:

Part 3: Customer Service

National Survey of Work Opportunities for Qualified Young Professionals

Part 3: Customer Service

June 18, 1996

Dear Employer:

Industry Canada and Canadian Manufacturers' Association (CMA) are conducting a series of surveys of Canadian companies concerning work opportunities for qualified young professionals. The objectives of these surveys are to identify productive areas for youth employment and to find better ways to match young workers with high-skill opportunities in the private sector: for example, in junior professional, technical and management positions.

A current CMA initiative called ON-SITE/À LA SOURCE has been very successful at achieving this potential, placing more than 3,000 skilled young workers with satisfied employers. Industry Canada, CMA and other associations are now working to realize more of these opportunities for youth employment.

We are surveying Canadian employers to determine their views on opportunities for young professionals in the following areas:

1. Practical Computer Applications for Business
2. New Market Development and Exporting
3. Customer Service

You are one of a small number of Canadian employers selected to receive the survey on Customer Service. We encourage you to take a few minutes to complete this questionnaire so that the study results will accurately represent the views of Canadian business. Of course, your participation is entirely voluntary. Please note that your responses will be kept completely confidential and that your answers will never be associated with your name or the name of your company. *If for some reason you are unable to complete the questionnaire yourself, we encourage you to pass it on to another appropriate contact in a senior management position within your organization.*

When you have completed the questionnaire, please mail it to us in the envelope provided. If you would like additional information about the survey, if you have any questions about completing the questionnaire, or if you would like to receive copies of either of the other two questionnaires, please telephone (collect) Ann Simpson or Kathy Deeg at Energy Pathways Inc. in Ottawa: (613) 235-7976. Thank you for your assistance.

Peter Sagar
Director General
Entrepreneurship and Small Business Office

Stephen Van Houten
President

Industry Canada Industrie Canada

Canadian Manufacturers' Association
Association des manufacturiers canadiens

Background on the ON-SITE Approach to Work Opportunities for Youth

Canadian Manufacturers' Association's ON-SITE/À LA SOURCE program is an innovative industry-government partnership that has been uniquely successful in meeting the needs of industry and creating value-added employment opportunities for young people.

ON-SITE places qualified unemployed individuals in companies and institutions for six-month terms, to assist with activities that are incremental to the regular business of the organization and result in positive change. The positive response to ON-SITE has clearly demonstrated that many companies have needs for specialized human resources that young workers can help to meet.

ON-SITE employers select their workers from a number of candidates prescreened by program administrators. A private sector company administers the program for CMA. The salaries of employees are paid by Human Resources Development Canada in the form of enhanced Unemployment Insurance benefits. Participating employers pay $100 per week for the management of the program.

The placements of highly qualified young professionals for six-month terms have proven to be very beneficial to both individual workers and participating companies. ON-SITE provides UI recipients with a chance to actively improve their skills and experience while they are collecting benefits. One-third of the project workers are hired by their host employers at the end of their work terms, and most of the others find employment elsewhere. More than 97% of participants are employed within three months of the end of their terms.

ON-SITE has been successful because it is market-driven and responds to industry's needs. Currently, the program provides qualified personnel to work on environmental, energy management, occupational health and safety, and quality management projects. These personnel are primarily young, university-educated individuals with good technical skills but limited workplace experience.

CMA and Industry Canada believe there are other opportunities to meet the needs of small and medium enterprises and to improve the employment prospects of young professionals, using the ON-SITE approach. We would like your views on how young professionals could help your company in the area of customer service, as well as your broader perspective on the contributions of young professionals in your industry.

Questions? Call the Survey Help Desk collect at (613) 235-7976.

I. Importance of Customer Service to Your Business

To begin, we would like to ask you some questions about the importance of customer service to your business.

1. Looking ahead over the next three to five years, how would you rate the importance of each of the following factors to the growth and increased competitiveness of your business?

	NOT AT ALL IMPORTANT (1)			MODERATELY IMPORTANT (4)			EXTREMELY IMPORTANT (7)	
	1	2	3	4	5	6	7	
a) Better use of computers for management and administration	0.9%	—	3.6%	12.5%	18.8%	26.8%	37.5%	$\bar{x} = 5.8$ $s = 1.3$
b) Better use of computers for marketing and communications	2.8%	1.8%	8.3%	17.4%	21.1%	25.7%	22.9%	$\bar{x} = 5.2$ $s = 1.5$
c) Better use of advanced technologies for production	4.2%	2.1%	8.4%	13.7%	7.4%	29.5%	34.7%	$\bar{x} = 5.5$ $s = 1.7$
d) New market development: international	12.0%	7.6%	4.3%	12.0%	15.2%	19.6%	29.3%	$\bar{x} = 4.9$ $s = 2.1$
e) New market development: domestic	2.0%	2.0%	6.9%	12.7%	16.7%	28.4%	31.4%	$\bar{x} = 5.5$ $s = 1.5$
f) Innovations: product or service development, product design, R & D	1.0%	5.1%	5.1%	15.2%	23.2%	22.2%	28.3%	$\bar{x} = 5.3$ $s = 1.5$
g) Improved customer service	0.9%	—	2.8%	10.1%	11.0%	30.3%	45.0%	$\bar{x} = 6.0$ $s = 1.2$
h) Improved occupational health and safety practices	6.7%	1.9%	11.5%	21.2%	18.3%	26.9%	13.5%	$\bar{x} = 4.8$ $s = 1.6$

2. Thinking about the last two years, would you say that customer service has been a low or high priority for your company's . . .

	LOW PRIORITY (1)			MODERATE PRIORITY (4)			HIGH PRIORITY (7)	
	1	2	3	4	5	6	7	
a) Management	—	—	2.7%	2.7%	12.5%	27.7%	54.5%	$\bar{x} = 6.3$ $s = 1.0$
b) Staff	—	0.9%	2.7%	10.7%	14.3%	29.5%	42.0%	$\bar{x} = 6.0$ $s = 1.2$

3. What are the principal methods you use for important communications with your customers? *(Circle all that apply.)* **n = 112**

Regular in-person meetings	1	50.0%
Periodic in-person meetings	2	67.0%
Telephone conversations	3	90.2%
800/888 telephone service	4	31.3%
Fax	5	80.4%
Computer (e.g., e-mail)	6	23.2%
Mail/courier	7	76.8%
Other (please specify) ________	8	8.0%

4. Has your company introduced any new policies or programs in the last two years specifically to improve customer service? **n = 110**

Yes	1	74.5%	
No	2	25.5%	*SKIP to Q. 5*

If "yes", have these activities included any of the following?
(Circle all that apply.) **n = 82**

Staff training	1	84.1%
Management training	2	61.0%
Customer research/consultations	3	40.2%
Customer service analysis/evaluation	4	62.2%
Comprehensive customer service program (e.g., TQM)	5	41.5%
Other (please specify) ________	6	18.3%

5. Do you agree or disagree with the following statements about the services your company provides to your customers?

	STRONGLY DISAGREE (1)			NEITHER (4)			STRONGLY AGREE (7)	
	1	2	3	4	5	6	7	
a) We have made significant improvements to customer service in recent years	0.9%	—	0.9%	17.4%	35.8%	27.5%	17.4%	$\bar{x} = 5.4$ $s = 1.1$
b) Real improvements to customer service are very hard to achieve	14.5%	28.2%	12.7%	10.0%	12.7%	15.5%	6.4%	$\bar{x} = 3.5$ $s = 1.9$
c) Our employees understand the importance of high quality customer service	0.9%	0.9%	7.3%	3.6%	25.5%	36.4%	25.5%	$\bar{x} = 5.6$ $s = 1.3$
d) Our business and profits are not particularly sensitive to changes in customer service	42.9%	26.8%	8.0%	2.7%	8.0%	6.3%	5.4%	$\bar{x} = 2.5$ $s = 1.9$
e) Constant improvements to customer service are necessary to stay competitive	0.9%	—	0.9%	4.5%	10.7%	35.7%	47.3%	$\bar{x} = 6.2$ $s = 1.0$
f) We have kept up with our competition in providing high quality customer service	—	3.7%	6.5%	9.3%	14.8%	35.2%	30.6%	$\bar{x} = 5.6$ $s = 1.4$
g) We can do a lot more to improve our services to customers	0.9%	2.7%	2.7%	8.9%	29.5%	32.1%	23.2%	$\bar{x} = 5.5$ $s = 1.3$

6. How satisfied are you with the service your company provides to your customers?

	EXTREMELY DISSATISFIED (1)			NEITHER (4)			EXTREMELY SATISFIED (7)	
	1	2	3	4	5	6	7	
a) The overall level of service delivered	—	—	1.8%	6.3%	48.2%	33.9%	9.8%	$\bar{x} = 5.4$ $s = 0.8$
b) The way services are delivered (methods and processes)	—	—	3.6%	12.6%	43.2%	33.3%	7.2%	$\bar{x} = 5.3$ $s = 0.9$
c) The performance of staff providing services	—	—	4.5%	9.9%	32.4%	43.2%	9.9%	$\bar{x} = 5.4$ $s = 1.0$
d) The service outcomes achieved	—	—	2.7%	9.8%	37.5%	42.0%	8.0%	$\bar{x} = 5.4$ $s = 0.9$

7. Could you please comment on your main reasons for being either satisfied or dissatisfied with the services your company provides to customers?

II Improvements to Customer Service

8. How would you rate the performance of your employees currently working in the following areas in providing high quality customer service?

	POOR (1)			ACCEPTABLE (4)			EXCELLENT (7)	
	1	2	3	4	5	6	7	
a) Management and administration	—	—	0.9%	8.8%	30.1%	54.0%	6.2%	$\bar{x} = 5.6$ $s = 0.8$
b) Sales and customer service	—	—	2.8%	10.2%	26.9%	41.7%	18.5%	$\bar{x} = 5.6$ $s = 1.0$
c) Marketing and communications	—	1.0%	2.9%	15.4%	39.4%	35.6%	5.8%	$\bar{x} = 5.2$ $s = 1.0$
d) Production of goods and services	—	1.0%	4.8%	15.4%	28.8%	45.2%	4.8%	$\bar{x} = 5.3$ $s = 1.0$
e) General (all employees)	—	—	3.6%	12.6%	36.0%	41.4%	6.3%	$\bar{x} = 5.3$ $s = 0.9$

9. How useful do you think the following improvements would be to enable your company to provide better service to customers?

	NOT AT ALL USEFUL (1)			MODERATELY USEFUL (4)			EXTREMELY USEFUL (7)	
	1	2	3	4	5	6	7	
a) Better information about customers (e.g., with a customer data base)	2.7%	1.8%	6.3%	18.9%	23.4%	22.5%	24.3%	$\bar{x} = 5.2$ $s = 1.5$
b) Making better use of market information to meet customer needs	0.9%	4.5%	7.2%	18.0%	26.1%	21.6%	21.6%	$\bar{x} = 5.2$ $s = 1.5$
c) Closer consultations with customers about their needs	—	—	2.7%	9.7%	21.2%	34.5%	31.9%	$\bar{x} = 5.8$ $s = 1.1$
d) Easier customer access to staff	2.7%	2.7%	10.0%	27.3%	20.0%	20.9%	16.4%	$\bar{x} = 4.9$ $s = 1.5$
e) More effective delegation of authority to front-line staff providing services	1.8%	3.6%	10.7%	24.1%	17.9%	25.9%	16.1%	$\bar{x} = 5.0$ $s = 1.5$
f) Improved capacity to serve customers in foreign markets (e.g., language, culture)	24.5%	10.8%	5.9%	13.7%	15.7%	14.7%	14.7%	$\bar{x} = 3.9$ $s = 2.2$
g) More opportunities for customers to provide feedback	0.9%	2.7%	3.6%	19.6%	25.9%	31.3%	16.1%	$\bar{x} = 5.3$ $s = 1.3$
h) Better information provided to customers about your products and services	—	—	8.0%	5.4%	15.2%	43.8%	27.7%	$\bar{x} = 5.8$ $s = 1.2$
i) Improved quality management	—	—	0.9%	7.2%	25.2%	36.0%	30.6%	$\bar{x} = 5.9$ $s = 1.0$
j) Faster service	—	1.8%	5.4%	11.6%	20.5%	25.0%	35.7%	$\bar{x} = 5.7$ $s = 1.3$

10. What would be the most valuable customer service improvements your company could make?

11. Please rate the extent to which you think the following problems present barriers to improving your company's services to customers.

	NOT A PROBLEM (1)			MODERATE PROBLEM (4)			SERIOUS PROBLEM (7)	
	1	2	3	4	5	6	7	
a) Employee attitudes	10.8%	16.2%	9.9%	36.0%	16.2%	6.3%	4.5%	$\bar{x} = 3.7$ $s = 1.6$
b) Lack of resources for new equipment or systems needed to improve customer service (e.g., computers, phone systems)	11.7%	17.1%	19.8%	22.5%	9.9%	9.9%	9.0%	$\bar{x} = 3.7$ $s = 1.8$
c) Need for training of employees	6.4%	9.1%	10.9%	34.5%	22.7%	11.8%	4.5%	$\bar{x} = 4.1$ $s = 1.5$
d) Lack of management commitment	34.3%	28.7%	9.3%	15.7%	4.6%	5.6%	1.9%	$\bar{x} = 2.5$ $s = 1.6$
e) Lack of personnel to provide the optimum level of service	14.3%	19.6%	15.2%	15.2%	22.3%	8.9%	4.5%	$\bar{x} = 3.6$ $s = 1.7$
f) Difficulty finding customer service personnel with the right skills	13.5%	18.0%	15.3%	20.7%	18.0%	9.9%	4.5%	$\bar{x} = 4.0$ $s = 1.7$
g) The cost of significant service improvements	10.2%	18.5%	17.6%	19.4%	21.3%	7.4%	5.6%	$\bar{x} = 3.7$ $s = 1.7$

12. What are the biggest obstacles for your company to improving customer services?

III Human Resource Needs and Opportunities for Young Professionals

Programs such as ON-SITE place young professionals in companies to help with incremental activities and gain experience. Your answers to the following questions will help employment program managers determine the best formats for work experience programs and expand the range of services that young professionals can provide as part of such programs.

13. Please rate the extent to which you think the following problems present barriers to young people who want to get jobs in your industry.

First, consider the skills and characteristics of the prospective young worker.

	NOT A PROBLEM (1)			MODERATE PROBLEM (4)			SERIOUS PROBLEM (7)	
	1	2	3	4	5	6	7	
a) A lack of general skills such as language, math and communications	10.0%	14.5%	10.9%	25.5%	20.0%	10.9%	8.2%	$\bar{x} = 4.0$ $s = 1.7$
b) A lack of technical or specialized skills for the job or profession	4.5%	9.0%	10.8%	22.5%	15.3%	25.2%	12.6%	$\bar{x} = 4.6$ $s = 1.7$
c) A lack of enthusiasm and commitment to their work	9.0%	8.1%	16.2%	14.4%	17.1%	18.9%	16.2%	$\bar{x} = 4.4$ $s = 1.9$
d) A lack of practical work experience	3.6%	6.3%	9.8%	16.1%	20.5%	30.4%	13.4%	$\bar{x} = 4.9$ $s = 1.6$
e) A lack of good job opportunities	4.5%	5.5%	15.5%	18.2%	17.3%	21.8%	17.3%	$\bar{x} = 4.7$ $s = 1.7$
f) Unrealistic expectations about their value in the job market	3.7%	8.3%	8.3%	23.1%	21.3%	20.4%	14.8%	$\bar{x} = 4.7$ $s = 1.6$

Next, consider the problem of barriers to jobs for young people from the perspective of the employer.

	NOT A PROBLEM (1)			MODERATE PROBLEM (4)			SERIOUS PROBLEM (7)	
	1	2	3	4	5	6	7	
g) The costs of hiring, supervising and training new employees	8.1%	9.9%	10.8%	29.7%	17.1%	18.0%	6.3%	$\bar{x} = 4.2$ $s = 1.6$
h) The costs of salaries and benefits for new employees	8.0%	7.1%	17.0%	23.2%	16.1%	19.6%	8.9%	$\bar{x} = 4.3$ $s = 1.7$
i) Changing human resource practices (for example, downsizing, outsourcing and greater use of contract workers)	13.2%	14.2%	6.6%	26.4%	12.3%	21.7%	5.7%	$\bar{x} = 4.0$ $s = 1.8$
j) The lack of job opportunities in your industry for qualified young professionals	7.3%	10.0%	10.9%	22.7%	18.2%	20.9%	10.0%	$\bar{x} = 4.4$ $s = 1.7$

14. How would you rate the opportunities for highly qualified young professionals to work in jobs in your company related to customer service?

NO/FEW OPPORTUNITIES (1) SOME OPPORTUNITIES (4) MANY OPPORTUNITIES (7)

1	2	3	4	5	6	7	
8.9%	17.0%	17.9%	27.7%	15.2%	8.0%	5.4%	$\bar{x}$ = 3.7 s = 1.6

15. Generally speaking, how do you view the benefits or payoff your company receives from hiring young workers in professional or technical positions?

EXTREMELY LOW PAYOFF (1) MODERATE PAYOFF (4) EXTREMELY HIGH PAYOFF (7)

1	2	3	4	5	6	7	
6.7%	11.4%	6.7%	30.5%	25.7%	14.3%	4.8%	$\bar{x}$ = 4.2 s = 1.5

16. How would you rate your company's short-term needs (e.g., in the next six months) for better skills for the following business activities?

NO/LITTLE NEED (1) MODERATE NEED (4) GREAT NEED (7)

	1	2	3	4	5	6	7	
a) Collecting and organizing information about your customers (e.g., creating data bases)	18.0%	18.9%	10.8%	23.4%	19.8%	7.2%	1.8%	$\bar{x}$ = 3.4 s = 1.7
b) Analyzing existing customer data bases	16.4%	20.0%	12.7%	22.7%	15.5%	10.9%	1.8%	$\bar{x}$ = 3.4 s = 1.7
c) Analyzing market research to identify better ways to meet customer needs	17.1%	18.9%	7.2%	18.0%	24.3%	10.8%	3.6%	$\bar{x}$ = 3.6 s = 1.8
d) Improving quality management approaches and procedures	9.0%	10.8%	10.8%	24.3%	21.6%	18.0%	5.4%	$\bar{x}$ = 4.1 s = 1.7
e) Serving customers in foreign markets (e.g., with the appropriate language skills and cultural understanding)	48.1%	15.4%	6.7%	8.7%	9.6%	6.7%	4.8%	$\bar{x}$ = 2.6 s = 1.9
f) Serving specialized customer segments in Canadian markets	22.0%	14.7%	11.0%	13.8%	21.1%	12.8%	4.6%	$\bar{x}$ = 3.5 s = 1.9
g) Consulting with customers about how your products and services could better meet their needs	10.8%	10.8%	9.9%	19.8%	21.6%	16.2%	10.8%	$\bar{x}$ = 4.2 s = 1.8
h) Providing better information to customers about your products and services	9.0%	8.1%	7.2%	18.0%	21.6%	26.1%	9.9%	$\bar{x}$ = 4.5 s = 1.8
i) Providing faster and more efficient service to customers	5.4%	11.7%	5.4%	14.4%	17.1%	27.0%	18.9%	$\bar{x}$ = 4.8 s = 1.8

17. In your opinion, would the following characteristics of a work experience program be positive or negative features?

EXTREMELY NEGATIVE (1) — NEITHER (4) — EXTREMELY POSITIVE (7)

	1	2	3	4	5	6	7	
a) Program led by the private sector and supported (e.g., financially) by the public sector	2.0%	3.0%	5.0%	23.8%	24.8%	26.7%	14.9%	x̄ = 5.1 s = 1.4
b) Provision of practical workplace experience	0.9%	0.9%	0.9%	3.7%	39.8%	35.2%	18.5%	x̄ = 5.6 s = 1.0
c) Partial salary subsidy, linked to an obligation to hire the worker at the end of the work term	13.9%	13.9%	17.6%	14.8%	22.2%	11.1%	6.5%	x̄ = 3.8 s = 1.8
d) Focus on non-production activity (i.e., work that might not otherwise get done)	10.1%	12.1%	13.1%	35.4%	23.2%	5.1%	1.0%	x̄ = 3.7 s = 1.4
e) Program led and financed entirely by the private sector	5.8%	12.5%	14.4%	31.7%	17.3%	10.6%	7.7%	x̄ = 4.1 s = 1.6
f) Use of UI dollars to fund work placements	5.7%	6.6%	7.5%	13.2%	22.6%	27.4%	17.0%	x̄ = 4.9 s = 1.7
g) Employer pays no salary costs but pays for program administration, with no obligation to hire the worker at the end of the term	7.5%	3.8%	6.6%	10.4%	21.7%	34.0%	16.0%	x̄ = 5.0 s = 1.7
h) Program restricted to young people	11.3%	4.7%	14.2%	27.4%	20.8%	14.2%	7.5%	x̄ = 4.1 s = 1.7
i) Emphasis on high-skill jobs	4.8%	4.8%	7.6%	35.2%	20.0%	21.9%	5.7%	x̄ = 4.5 s = 1.4

18. Do you have any comments about these or other aspects of a work experience program for young professionals that might cause it to succeed or to fail?

19. How interested would your company be in participating in a program to provide work experience to young professionals?

NOT AT ALL INTERESTED (1) — SOMEWHAT INTERESTED (4) — EXTREMELY INTERESTED (7)

1	2	3	4	5	6	7	
7.3%	9.2%	7.3%	33.9%	21.1%	12.8%	8.3%	x̄ = 4.2 s = 1.6

IV Background Characteristics

20. Does your organization operate at

		n = 112
A single location?	1	41.1%
Multiple locations in Canada?	2	46.4%
Multiple locations in Canada and other countries?	3	12.5%

21. Your location is

		n = 112
Head office	1	90.2%
A division or subsidiary	2	9.8%

22. How many full-time staff does your company employ?

At your location? ☐☐☐☐ $\bar{x} = 91.5$ $s = 207.8$

In Canada? ☐☐☐☐ $\bar{x} = 233.5$ $s = 394.6$

23. Over the last 24 months, approximately how many new staff has your company employed for jobs requiring highly skilled workers: e.g., management, professional, technical positions? *(If you don't know, please circle 999.)*

Number of new hires in last 24 months ☐☐☐ $\bar{x} = 11.5$ $s = 25.9$

24. Approximately how many of these new hires have been under 30 years of age?

Number of new hires under 30 in last 24 months ☐☐☐ $\bar{x} = 8.0$ $s = 19.2$

25. For how many years . . .

Has your firm been operating? ☐☐☐ $\bar{x} = 34.2$ $s = 26.4$

Have you been employed with this company? ☐☐ $\bar{x} = 13.4$ $s = 11.6$

26. What is your position within the organization?

		n = 110
Owner, President or CEO	1	46.4%
Senior Manager, Executive Officer, General Manager	2	24.5%
Manager: Human Resources/Personnel	3	20.0%
Manager: Other areas of responsibility (please specify)	4	6.4%
Other (please specify)	5	2.7%

27. We welcome your comments on the topics covered in this survey.

Would you be interested in receiving a brief summary of the results of this survey?

YES	NO	n = 104
63.5%	36.5%	

If "Yes", please print your name and mailing address below.

Please note that the information below will be kept separate from your responses to this survey, and will not be used for any other purpose. Your name and address will not be added to any mailing list except to receive information related to this survey. An independent consultant will process this information and will not provide your responses to Canadian Manufacturers' Association or Industry Canada with your name or address attached.

Name:

Title:

Company:

Mailing Address:

Postal Code:

Tel: ( ) Fax: ( )

Internet/E-mail:

Thank you for your assistance.

RESOURCE CENTRE

DOCUMENT #:

DATE: March 1997